

The directors of the Company (the “Directors”) accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to materially affect the validity of such information. The Directors accept responsibility accordingly.

Royal London Asset Management Bond Funds plc (the “Company”)

(An umbrella fund constituted as an investment company with variable capital and segregated liability between sub-funds under the laws of Ireland authorised by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

PROSPECTUS

DATE: 28 October 2016

IMPORTANT INFORMATION

THIS PROSPECTUS

This Prospectus describes Royal London Asset Management Bond Funds plc (the “Company”), an investment company with variable capital and segregated liability between sub-funds in Ireland incorporated as a public limited company. The Company is a UCITS Scheme constituted as an umbrella fund insofar as the share capital of the Company will be divided into different series of Shares (Funds) with each series of Shares representing a separate investment portfolio of assets. In accordance with the requirements of the Central Bank shares of any Fund may be divided into different Classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements, including different total expense ratios. Shares may also be divided into different Classes denominated in currencies other than the Base Currency of the relevant Fund.

The Funds have different investment objectives and invest in different types of transferable securities and/or in other liquid financial assets. Each Fund will be invested in accordance with the investment objectives and policies applicable to such Fund as specified in the Relevant Supplement. The Relevant Supplement should be read in conjunction with and construed as one document with this Prospectus.

Although each Fund will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties for all of the liabilities of the Company. As at the date of this Prospectus, the Directors are not aware of any such existing or contingent liability.

This Prospectus is based on information, law and practice at the above date. The delivery of this Prospectus (whether or not accompanied by any reports or other information) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus. Investors should check with the Company that this is the most recently published prospectus.

INVESTOR RESPONSIBILITY

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters.

Prospective investors should review this Prospectus carefully and in its entirety and consult with legal, tax and financial advisers for independent advice in relation to: (a) the legal requirements within their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (b) any foreign exchange restrictions to which they are subject in relation to the purchase, holding, exchanging, redeeming or disposing of Shares; (c) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming or disposing of Shares; and (d) the provisions of this Prospectus and any Relevant Supplement.

AUTHORISATION - UCITS

The Company is authorised by the Central Bank as an Undertaking for Collective Investment in Transferable Securities under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended). The authorisation of the Company and/or of its Funds by the Central Bank shall not constitute a warranty as to the performance of the Company and/or of its Funds and the Central Bank shall not be liable for the performance or default of the Company and/or of its Funds. Authorisation of the Company and/or of its Funds by the Central Bank is not an endorsement or guarantee of the Company and/or of its Funds by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

DISTRIBUTION AND SELLING RESTRICTIONS

The distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute and may not be treated as an offer or solicitation by or to anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

The Shares have not been registered under the U.S. Securities Act of 1933, as amended (the “1933 Act”), or any U.S. state securities laws, and neither the Company nor the Funds have been registered under the U.S. Investment Company Act of 1940, as amended. Except as otherwise described herein and pursuant to an exemption from registration the Shares may not be offered, sold or delivered directly or indirectly, in the U.S. or its territories or possessions or to or for the benefit of any U.S. Person. The Shares may not be purchased or held directly or indirectly by or for the benefit of U.S. Persons, except with the prior permission of the Company in its discretion. For this purpose, a U.S. Person has the meaning set forth under the heading “Definitions” in the Prospectus. Shares will be offered and sold only to such persons as may be authorised by the Directors. The Company reserves the right, subject to applicable regulation, to make a private placement of Shares to a limited number or category of U.S. Persons.

RELIANCE ON THIS PROSPECTUS

Shares are offered only on the basis of the information contained in this Prospectus, the Relevant Supplement, the latest audited annual accounts and any subsequent half-yearly report of the Company. No person has been authorised to give any information or to make any representation in connection with the offering of Shares other than those contained in this Prospectus, the Relevant Supplement and in any subsequent half-yearly or annual report for the Company and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Investment Manager. Statements in this Prospectus are in accordance with the law and practice in force in Ireland at the date hereof and are subject to change. Neither the delivery of this Prospectus nor the issue of Shares shall, under any circumstances, create any implication or constitute any representation that the affairs of the Company have not changed since the date of this Prospectus.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus. To the extent that there is any inconsistency between the English language Prospectus and the Prospectus in another language, this English language Prospectus will prevail, except, to the extent (but only to the extent) required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based shall prevail. All disputes as to the contents of this Prospectus shall be governed in accordance with the law of Ireland.

Although one or more of the Funds may be similar to one or more other funds or accounts advised by the Investment Manager, each Fund is a separate portfolio with its own investment objectives, policies and expenses. Other funds and accounts advised by the Investment Manager will have different investment results, and information about those funds and accounts should not be assumed to apply to any Fund.

RISKS

Investment in the Funds, through the Company, carries with it a degree of risk. **The value of Shares and the income from them may go down as well as up, and investors may not get back the amount invested.** Investors should consider carefully their investment objectives and the “Investment Risks” section of this Prospectus, and the Relevant Supplement, before selecting any investment.

PORTFOLIO TRANSACTION CHARGES

Sales, redemption or transaction charges may be payable in respect of any Fund if specified in the Relevant Supplement. In the short term, these charges will have the effect of reducing the values of an investment. Accordingly, an investor should view its investment in that Fund as medium to long term.

The Company shall be entitled to impose a redemption fee on Shares in issue in any Fund up to a maximum of 3%. The Company does not currently intend to make a redemption charge.

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DIRECTORY

Directors:

Vincent Dodd
Tom Finlay
Ewan McAlpine
Susan Spiller
Rakesh Kumar (alternate director)

Depositary:

State Street Custodial Services (Ireland)
Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Registered Office:

70 Sir John Rogerson's Quay
Dublin 2
Ireland

Auditors:

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Administrator:

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Investment Manager:

Royal London Asset Management Limited
55 Gracechurch Street
London EC3V 0RL
United Kingdom

Secretary:

Matsack Trust Limited
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisers:

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

DEFINITIONS

Administrator	State Street Fund Services (Ireland) Limited or such other person as may from time to time be appointed as administrator of the Company, in accordance with the requirements of the Central Bank;
Articles	means the articles of association of the Company as same may be amended from time to time in accordance with the requirements of the Central Bank;
Base Currency	shall have such meaning as shall be specified in the Relevant Supplement;
Business Day	a day on which banks are open in London, or such other day or days as may be determined by the Company and agreed with the Administrator, provided there shall be at least two Business Days in each calendar month;
Central Bank	the Central Bank of Ireland or any successor thereof;
Central Bank UCITS Regulations	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as may be amended);
Class	any class of Share established by the Company in respect of any Fund;
Dealing Day	shall mean each Business Day or such other day or days as may be determined by the Company and notified to the Shareholders provided that, there shall be at least two dealing days in each calendar month;
Depositary	State Street Custodial Services (Ireland) Limited or such other person as may from time to time be appointed as depositary of the Company, in accordance with the requirements of the Central Bank;
Directors	the directors of the Company for the time being and any duly constituted committee thereof;
Distributor	means such person(s) as specified in the Relevant Supplement as may be appointed from time to time as distributor of any Fund in accordance with the requirements of the Central Bank;
ESMA	European Securities and Markets Authority;
“Euro” or “Eur” or “€”	the single currency of those EU Member States participating in European Monetary Union;
FATCA	means the United States Foreign Accounts Tax Compliance Act;
FCA	means the Financial Conduct Authority of the United Kingdom;

Fund	a portfolio of assets established by the Company (with the prior approval of the Central Bank) and constituting a separate fund (or sub-fund) represented by a separate series of Shares and invested in accordance with the investment objective and policies applicable to such Fund as specified in the Relevant Supplement;
Investment Manager(s)	means such person(s) as specified in the Relevant Supplement as may from time to time be appointed as investment manager of any Fund, in accordance with the requirements of the Central Bank;
Net Asset Value	the net asset value of a Fund calculated as described in the “Net Asset Value” section of this Prospectus;
Net Asset Value per Share	in relation to any Fund, the Net Asset Value divided by the number of Shares in the relevant Fund in issue or deemed to be in issue in respect of that Fund as of the relevant Valuation Point and, in relation to any class of Shares, subject to such adjustments, if any, as may be required in relation to such Class;
OECD	the Organisation for Economic Co-Operation and Development, the members of which comprise the EU member states, Australia, Canada, Chile, Iceland, Israel, Japan, Korea (Republic), Mexico, New Zealand, Norway, Switzerland, Turkey, the United States of America and which includes any country of countries which become members of the OECD from time to time;
Prospectus	this document and any Supplement designed to be read and construed together with and to form part of this document;
Recognised Market	any recognised exchange or market listed or referred to in Appendix 1 hereof and in the Articles in accordance with the requirements of the Central Bank which does not issue a list of approved markets;
Relevant Institution	(i) a credit institution authorised in the European Economic Area (EU member states, Norway, Iceland, Liechtenstein); (ii) a credit institution authorised in a signatory state, other than a member state of the EEA, to the Basle Capital Conveyance Agreement of July 1988; or (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand,
Relevant Supplement	in relation to a Fund, the document containing specific information on that Fund which is supplemental to this document;
Shares	a participating Share (or fraction thereof) in the capital of the Company, designated in one or more Funds or Classes, issued in accordance with the Articles;
Shareholder	a person registered as a holder of Shares;
“STG” or “Sterling”	Pounds Sterling, the lawful currency of the United Kingdom;
Transferable Securities	-shares in companies and other securities equivalent to

shares in company;

-bonds and other forms of securitised debt;

- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding the instruments referred to in Regulation 48A of the UCITS Regulations.

UCITS

an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;

UCITS Directive

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 as regards depositary functions, remunerations policies and sanctions, including its mandatory implementing regulations.

UCITS Regulations

the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as may be amended or supplemented from time to time) and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder whether by notice or otherwise;

U.S. or United States

the United States of America, including its States, the District of Columbia and its territories and possessions;

United States Person or U.S. Person

(a) any natural person resident in the United States; (b) any corporation organised under U.S. law; (c) any partnership organised or existing in any state, territory or possession of the United States; (d) any estate or trust the income of which is subject to U.S. income tax, regardless of source; and (e) any pension plan for the employees, officers or principals of an entity organised or having its principal place of business in the U.S. Notwithstanding the foregoing, any entity organised principally for the purpose of passive investment (such as a pool, investment company or similar entity) shall be deemed to be a U.S. Person unless less than 10% in the aggregate of the beneficial interest in the entity is held by or on behalf of U.S. Persons and the entity was not formed principally for the purpose of facilitating investment by U.S. Persons in a pool with respect to which the pool operator is exempt from certain requirements of Part 4 of the U.S. Commodity Futures Trading Commission's regulations by virtue of the pool's participants being non-U.S. Persons and/or such other persons as the Directors may from time to time deem to be U.S. Persons;

"US\$" or "USD"

U.S. Dollars, the lawful currency of the United States; and

Valuation Point

the time as of which the Net Asset Value of a Fund is determined which shall be specified in the Relevant Supplement.

THE COMPANY

THE COMPANY

The Company is a multi-series umbrella fund constituted as an investment company with variable capital incorporated in Ireland on 26 November 2002 under registration number 364259. The sole purpose of the Company is the collective investment of its assets in transferable securities and/or in other liquid financial assets referred to in the UCITS Regulations of capital raised from the public operating on the principle of risk spreading and giving Shareholders the benefit of the results of the management of its assets. The Company is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Company is an umbrella fund in that the Company may from time to time, with the prior approval of the Central Bank, launch new sub funds (Funds) under the Company umbrella.

The Funds

The current funds of the Company are as follows:

Royal London Sterling Extra Yield Bond Fund

Royal London Euro Extra Yield Bond Fund

Royal London US Dollar Extra Yield Bond Fund

Royal London Global High Yield Bond Fund

Royal London Short Duration Global High Yield Bond Fund

Royal London Absolute Return Government Bond Fund

Royal London Global Bond Opportunities Fund

The assets of each Fund will be invested in accordance with the investment objective and policies applicable to such Fund as disclosed in the Relevant Supplement, which should be read in conjunction with and construed as supplemental to this Prospectus.

Classes of Share

In accordance with the requirements of the Central Bank, Shares of any Fund may be divided into different Classes to accommodate different subscription and/or redemption provisions and/or dividend and/or charges and/or fee arrangements. Such Classes may also be denominated in currencies other than the Base Currency of the relevant Fund.

Articles

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, copies of which are available from the Company (see "Documents for Inspection"). The provisions of the Articles are binding on the Depositary, the Company and the Shareholders and all persons claiming through them respectively as if all such Shareholders and persons had been party to the Articles. Shareholders shall not have any recourse to or claim against or right of action in respect of any of the assets of the Company or any Fund or any part thereof other than the assets of the Fund in which they hold Shares and in respect of which the claim arises (see "Segregation of Assets and Liabilities" below).

SEGREGATION OF ASSETS AND LIABILITIES

Under the Articles, the assets and liabilities attributable to each Fund established by the Company, will be segregated by the Depositary.

The following provisions shall apply to each Fund established by the Company:

- (i) separate records and accounts shall be maintained for each Fund in the base currency of the relevant Fund as the Directors shall from time to time determine;
- (ii) the proceeds from the issue of Shares in each Fund shall be recorded in the accounts of the Fund established for those Shares and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (iii) where any asset is derived from any other asset, such derivative asset shall be applied in the records and accounts of the Company to the same Fund as the asset from which it was derived and on each revaluation of an asset, the increase or diminution in value of that asset shall be applied to the relevant Fund;
- (iv) in the case of any asset of the Company (or amount treated as a notional asset) which the Depositary does not consider as attributable to a particular Fund or Funds, the Directors shall, with the consent of the Depositary, determine the basis upon which any such asset shall be allocated between Funds and the Directors shall be entitled at any time and from time to time, subject to the approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any case where the asset is allocated between all Funds pro rata to their Net Asset Values at the time when the allocation is made;
- (v) subject to paragraph (vi) below, the Directors shall, with the consent of the Depositary, determine the basis upon which any liability shall be allocated between Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall be entitled at any time and from time to time to vary such basis, provided that the approval of the Depositary shall not be required in any case where a liability is allocated to the Fund or Funds to which in the opinion of the Directors it relates or if in the opinion of the Directors it does not relate to any particular Fund or Funds, between all the Funds pro rata to their Net Asset Values, provided that, when any costs or expenses or liabilities are incurred by the Company or the Depositary and are specifically attributable to a particular Fund they will be borne by that Fund; where they are not specifically attributable to a Fund, such costs, expenses or liabilities will be borne by each Fund, or as the case may be by the Funds in question, in the proportion in which the Net Asset Value of each such Fund bears to the aggregate Net Asset Value of the Company as at the date that such costs, expenses or liabilities are incurred, or in such other manner as is most equitable in the opinion of the Directors and approved by the Depositary; and
- (vi) subject to paragraph (iv) above, the assets of each Fund shall belong exclusively to that Fund, shall be segregated from other Funds and shall not be used or available to discharge directly or indirectly the liabilities of or claims against any other Funds.

PAYMENTS OUT OF THE ASSETS OF A FUND

Without prejudice to any other charges, fees, expenses or liabilities expressly authorised by the Articles to be charged against Shareholders or against the assets of the Company or any Fund thereof or any class of assets within a Fund the following further payments may, with the approval of the Depositary, be payable out of the assets of the Company and attributed to each Fund or Class in respect of which they are attributable:

- (i) all duties, fees, charges and expenses of every kind including, administration expenses, save to the extent that any such duties, fees, charges and expenses shall have been charged to and paid by the Shareholders, or any of them, and all expenses incurred in establishing the Company and in connection with the initial issue of Shares;

- (ii) the expenses incurred in obtaining, maintaining or terminating any listing of any Shares on any Recognised Market or in complying with any undertaking given, or agreement entered into, in connection with, or any rules governing, any such listing;
- (iii) all costs of printing and distributing all explanatory memoranda, prospectuses (including any supplement or addendum thereto), statements, notices, accounts and reports relating to the Company and any Fund and all costs and expenses of publishing issue prices and redemption prices of Shares and all other costs and expenses deemed by the Directors to have been incurred in compliance with, or in connection with, any change in or introduction of, any law or regulation (whether or not having force of law) or the compliance with any request or directive (whether or not having the force of law) of any governmental or other regulatory authority or agency;
- (iv) all remuneration, fees and expenses of the Directors, the Administrator, the Depositary, the Distributor and any other service providers to the Company authorised by the Articles to be paid out of the relevant Fund;
- (v) all legal and professional fees and charges incurred by the Depositary wholly and exclusively in the performance of its duties under the Articles and all professional fees relating to the calculation, agreeing and/or contesting of taxation liabilities and reliefs;
- (vi) all fees and charges payable by or in respect of the Company or any Fund to the competent authority or any regulatory authority in Ireland or in any other country or territory in which Shares are issued, marketed or sold and the costs and expenses (including all legal and professional fees and charges and printing costs) incurred in meeting on a continuing basis any applicable notification, registration and other requirements of each such competent or regulatory authority and any fees and expenses of representatives or agents in any such country or territory in relation thereto, and all costs and expenses of and incidental to preparing supplemental deeds for the purpose of ensuring that the Company or any Fund complies with legislation coming into force after the date of the Articles including costs and expenses incurred in relation to the modification of the Articles and the holding of any meetings of Shareholders in relation thereto;
- (vii) the fees and expenses of the Auditors;
- (viii) all costs and expenses incurred by the Depositary and/or any of their delegates including sub-custodians or appointees which are permitted by the Articles;
- (ix) all expenses incurred in the collection of income and the administration of the Company;
- (x) all taxation payable in respect of the holding of or dealing with income from assets of the Company or any Fund and in respect of allocation and distribution of income to Shareholders; and
- (xi) all charges and expenses incurred in relation to the registration of any investments into and the transfer of any investments out of the name of the Depositary or its nominee or the holding of any investments or the custody of investments and/or any documents of title thereto, including, without limitation, bank charges, insurance of documents of title against loss in shipment, transit or otherwise and charges made by the registrar or agents of the Depositary for acceptance of documents for safe custody, retention and/or delivery.

Operation of the Subscription and Redemption Collection Account

The Company has established a collection account at umbrella level in the name of the Company (the "Umbrella Cash Collection Account"), and has not established such accounts at Fund level. All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Collection Account. Monies in the Umbrella Cash Collection Account, including early subscription monies received in respect of a Fund, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for fund service providers.

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds or distributions, monies in the Umbrella Cash Collection Account are assets of the relevant Funds to which they are attributable, and the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account. Subscriptions amounts paid into the Umbrella Cash Collection Account will be paid into an account in the name of the Depositary on behalf of the relevant Fund. Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Collection Account until the payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant redeeming Shareholder.

The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Funds.

The Company and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account, which identifies the participating Funds, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of moneys attributable to another Fund due to timing differences.

Where subscription monies are received in the Umbrella Cash Collection Account without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor. Failure to provide the necessary complete and accurate documentation is at the investor's risk.

INVESTMENT RESTRICTIONS

The assets of each Fund will be invested in accordance with the investment restrictions contained in the UCITS Regulations and such additional investment restrictions, if any, as may be adopted by the Directors for any Fund and specified in the Relevant Supplement.

References below to a Fund means the Company acting for the account of the relevant Fund.

1 Permitted Investments

Investments of a UCITS are confined to:

- 1.1** Transferable securities and money market instruments, as prescribed in the Central Bank UCITS Regulations, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.2** Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3** Money market instruments, as defined in paragraph 2 Schedule 3 of the UCITS Regulations, other than those dealt on a regulated market.
- 1.4** Units of UCITS.
- 1.5** Units of AIFs as set out in the Central Bank UCITS Regulations.
- 1.6** Deposits with credit institutions as prescribed in the Central Bank UCITS Regulations.
- 1.7** Financial derivative instruments as prescribed in the Central Bank UCITS Regulations.

2 Investment Restrictions

- 2.1** A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2** A UCITS may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities which satisfy the requirements of paragraph 1.1 or provided that:
 - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.
- 2.3** A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4** The limit of 10% (in 2.3) is raised to 25%, subject to the prior approval of the Central Bank, in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer,

the total value of these investments may not exceed 80% of the net asset value of the UCITS.

- 2.5** The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6** The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7** A UCITS may not invest more than 20% of net assets in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the trustee/depositary.

- 2.8** The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- 2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

- investments in transferable securities or money market instruments;
- deposits, and/or
- counterparty risk exposures arising from OTC derivatives transactions.

- 2.10** The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

- 2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.

- 2.12** A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian

Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC and Export-Import Bank.

The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

3 Investment in Collective Investment Schemes (“CIS”)

- 3.1** A UCITS may not invest more than 20% of net assets in any one CIS.
- 3.2** Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3** The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4** When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
- 3.5** Where a commission (including a rebated commission) is received by the UCITS manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the UCITS.

4 Index Tracking UCITS

- 4.1** A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Irish Central Bank.
- 4.2** The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5 General Provisions

- 5.1** An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2** A UCITS may acquire no more than:
 - (i) 10% of the non-voting shares of any single issuing body;
 - (ii) 10% of the debt securities of any single issuing body;
 - (iii) 25% of the units of any single CIS;
 - (iv) 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3** 5.1 and 5.2 shall not be applicable to:
 - (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.
- (v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

- 5.4** UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5** The Irish Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6** If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- 5.7** Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- transferable securities;
 - money market instruments;
 - units of CIS; or
 - financial derivative instruments.
- 5.8** A UCITS may hold ancillary liquid assets.

6 Financial Derivative Instruments ('FDIs')

- 6.1** The UCITS global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.
- 6.2** Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- 6.3** UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that
- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Irish Central Bank.
- 6.4** Investment in FDIs are subject to the conditions and limits laid down by the Irish Central Bank.

The restrictions on investments contained in this Prospectus in relation to a Fund shall apply at the time of the purchase of the investments. If these limits are exceeded for reasons beyond the control of the

Company, the Company shall adopt as a priority objective for the sales transactions of the Fund the remedying of that situation, taking due account of the interests of its Shareholders.

The Directors may adopt additional investment restrictions with respect to any Fund to facilitate the distribution of Shares in the relevant Fund to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in the Funds are currently offered provided that the assets of each Fund will at all times be invested in accordance with the restrictions on investments set out in the UCITS Regulations and in accordance with the requirements of the Central Bank.

FUND INVESTMENT TECHNIQUES

The Company may employ investment techniques and instruments for efficient portfolio management of the assets of any Fund including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits stipulated by the Central Bank pursuant to the UCITS Regulations and Central Bank UCITS Regulations and as described below.

Efficient Portfolio Management

The Company may employ investment techniques and instruments for efficient portfolio management of the assets of the Company or of any Fund (“Portfolio Investment Techniques”) under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations and Central Bank UCITS Regulations and described below. Techniques and instruments which relate to Transferable Securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost effective way;
- (ii) they are entered into for one or more of the following specific aims:
 - (a) reduction of risk;
 - (b) reduction of cost;
 - (c) generation of additional capital or income for a Fund with an appropriate level of risk which is consistent with the risk profile of the Fund and the risk diversification rules stipulated under the UCITS Regulations;
- (iii) their risks are adequately captured by the risk management procedures implemented by the Company, and
- (iv) they cannot result in a change to a Fund’s declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

In this respect, the Company may:

- a) for the purposes of hedging (whether against currency exchange or interest rate risks or otherwise), enter into put and call options, spot and forward contracts, financial futures, stock and bond index futures contracts, interest rate swaps, total return swaps, exchange rate swaps and credit default swaps, repurchase and reverse repurchase agreements and securities lending agreements. In particular, a Fund may seek to hedge its investments against currency fluctuations which are adverse to its base currency by utilizing currency options, futures contracts and forward foreign exchange contracts.
- b) from time to time make use of exchange traded stock index and other futures contracts for the purpose of efficient portfolio management to enable it to maintain the appropriate exposure to stock and other markets in accordance with the Investment Manager’s recommended overall asset allocation. The use of exchange traded stock index and other futures contracts by the Company will be subject to the conditions and limits laid down by the Central Bank under the UCITS Regulations.
- c) from time to time make use of exchange traded and non-exchange traded contracts for differences for the purpose of efficient portfolio management to enable it to reduce the cost of buying, selling and holding equity and other investments. A “contract for differences” is a contract intended to secure a profit or avoid a loss by reference to fluctuations in the value or price of property of any description or in an index or other factor designated for that purpose in the contract.

While the use of Portfolio Investment Techniques will be in line with the best interests of the Company, individual techniques may result in increased counterparty risk and potential conflicts of interest. Details of the proposed Portfolio Investment Techniques and policies adopted by the Company in relation to their use by the Funds are set out below. Details of the relevant risks are set out in the section of the Prospectus headed “*Investment Risks*”.

All of the revenues arising from Portfolio Investment Techniques, net of direct and indirect operational costs, will be returned to the relevant Fund.

The Company will ensure, at all times, that the terms of the Portfolio Investment Techniques, including any investment of cash collateral, will not impact on the Company’s ability to meet with its redemption obligations.

The annual report of the Company will contain details of (i) the counterparty exposure obtained through Portfolio Investment Techniques; (ii) counterparties to the Portfolio Investment Techniques; (iii) the type and amount of collateral received by the Funds to reduce counterparty exposure; and (iv) revenues arising from Portfolio Investment Techniques for the reporting period, together with direct and indirect costs and fees incurred.

A Fund may not be leveraged or geared in any way through the use of derivative instruments.

Use of Repurchase/Reverse Repurchase Agreements and Lending of Fund Securities

A Fund may enter into reverse repurchase agreements for efficient portfolio management purposes, under which it acquires securities from a seller (for example, a bank or securities dealer) who agrees, at the time of sale, to repurchase the security at a mutually agreed-upon date (usually not more than seven days from the date of purchase) and price, thereby determining the yield to the Fund during the term of the reverse repurchase agreement. The resale price reflects the purchase price plus an agreed upon market rate of interest which is unrelated to the coupon rate or maturity of the purchased security. The Fund may enter into repurchase agreements under which it sells a security and agrees to repurchase it at a mutually agreed upon date and price. The use by a Fund of repurchase agreements and reverse repurchase agreements (“Repo Contracts”) shall be subject to the conditions and limits set out in the UCITS Regulations. A Fund may, for efficient portfolio management purposes only, lend its securities to brokers, dealers and other financial organisations in accordance with normal market practice.

A credit assessment will be undertaken with respect to each counterparty to a repo contract. Such counterparties will be entities with legal personality typically located in OECD jurisdictions. A Fund may only enter into OTC derivatives, Repo Contracts and securities lending arrangements with counterparties in accordance with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

Subject to the UCITS Regulations, a Fund may enter into Repo Contracts only in accordance with normal market practice and provided that collateral obtained under the Repo Contract meets, at all times, the following criteria:

- (i) liquidity - collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should comply with the provisions of Regulation 74 of the UCITS Regulations.
- (ii) valuation - collateral should be valued on a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements.
- (iii) issuer credit quality - collateral should be of high quality. Where the issuer was subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into

account in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to above this shall result in a new credit assessment being conducted of the issuer without delay.

- (iv) correlation - collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (v) diversification - collateral should be sufficiently diversified in terms of country, markets and issuers. Non-cash collateral will be considered to be sufficiently diversified if the relevant Fund receives from a counterparty a basket of collateral with a maximum exposure to any one issuer of 20% of the Fund's net asset value. When the relevant Fund is exposed to a variety of different counterparties, the various baskets of collateral are aggregated to ensure exposure to a single issuer does not exceed 20% of net asset value.

Notwithstanding the above, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, as disclosed in paragraph (x) in the "Investment Restrictions" section. Such a Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Fund's Net Asset Value.

All assets received in respect of a Fund in the context of efficient portfolio management techniques will be considered as collateral for the purposes of the Central Bank UCITS Regulations and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

Where there is a transfer of title involved in a transfer of collateral, the collateral received will be held by the Depositary, or a properly appointed sub-custodian. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Collateral received will be capable of being fully enforced by a Fund at any time without reference to or approval from the counterparty. Accordingly collateral will be immediately available to the Fund without recourse to the counterparty in the event of default by that entity.

Permitted types of Collateral

In accordance with the above criteria, it is proposed that a Fund will accept the following types of collateral in respect of Repo Contracts and stock lending arrangements:

- (i) cash;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by Relevant Institutions;
- (iv) bonds/commercial paper issued by Relevant Institutions or by non-bank issuers where the issue or the issuer are rated A1 or equivalent;
- (v) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Relevant Institutions;
- (vi) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand; and
- (vii) such further types of collateral as may be further set out in the Relevant Supplement or as the Investment Manager deems appropriate from time to time in accordance with the requirements of the Central Bank.

Reinvestment of Collateral

Cash received as collateral may not be invested or used other than as set out below:

- (i) placed on deposit with, or invested in certificates of deposit issued by Relevant Institutions;
- (ii) invested in high-quality government securities;
- (iii) used for the purpose of reverse repurchase agreements, provided that the transactions are with credit institutions subject to prudential supervision and the relevant Fund is able to recall at any time the full amount of cash on an accrued basis; or
- (iv) invested in a Short Term Money Market Fund as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

Non-cash collateral received cannot be sold, pledged or re-invested.

Stress testing policy

In the event that a Fund receives collateral for at least 30% of its net assets, the Company will implement a stress testing policy to ensure that regular stress tests are carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to such collateral.

Haircut policy

In the event that a Fund receives collateral, the Company will implement a haircut policy in respect of each relevant class of assets received as collateral. This policy will take account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of any such collateral received, adjusted in light of this haircut policy, must equal or exceed, in value, at all times, the relevant counterparty exposure.

Other provisions in relation to Repo Contracts and stock lending

The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within 5 business days or other period as normal market practice dictates.

In the case that a Fund enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to-market basis at any time. Where the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the Net Asset Value of the relevant Fund.

In the case that a Fund enters into repurchase agreements, the Fund will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

Fixed term Repo Contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the relevant Fund.

Repo Contracts, stock borrowing or stock lending do not constitute borrowing or lending for the purposes of the UCITS Regulations.

Any interest or dividends paid on securities which are the subject of such stock lending arrangements shall accrue to the benefit of the relevant Fund.

Collateralisation of OTC FDI

In order to ensure that Funds do not breach the requirements of the UCITS Regulations regarding counterparty risk exposure, the Company will require that counterparties to any OTC FDI with a Fund collateralise their exposure to the Fund, so that the collateral held by the Depositary on behalf of the Fund mitigates the counterparty risk. In accordance with the requirements of the Central Bank, the counterparties will be required to transfer the collateral to the Fund and the collateral will be held in a segregated account by the Depositary or its delegate. The Collateral will be marked to market daily and, in the event of a default by a counterparty, the Fund will have access to the relevant collateral without recourse to such counterparty.

The collateral will be held at the risk of the counterparty. The Company will monitor the collateral to ensure that the collateral falls, at all times, within the categories permitted by the Central Bank and will be diversified in accordance with the requirements of the Central Bank, and otherwise meets the requirements as described above in respect of Repo Contracts and securities lending. Investors should note that there may be a cost attached to the collateralisation of a counterparty's exposure to a Fund which may vary according to market conditions and that this cost will be borne by the Fund.

Contracts for Differences

Where non-exchange traded contracts for differences are used by the relevant Fund, the Company will ensure that (i) the counterparty has shareholder funds in excess of €125 million or foreign currency equivalent; (ii) the name of the counterparty is disclosed in the subsequent half-yearly or annual report of the Company; (iii) the Depositary is satisfied that the counterparty has agreed to value the transaction at least weekly and to close out the transaction at the request of the Investment Manager at a fair value; and (iv) initial outlay in respect of any contracts for differences to any one counterparty does not exceed 5% of the Net Asset Value of the relevant Fund. Use of the aforesaid techniques and instruments involves certain risks and there can be no assurance that the objective sought to be obtained from the use of such instruments will be achieved.

"Delayed Delivery" and "When Issued" Securities

A Fund may purchase debt obligations on a "delayed delivery" or "when-issued" basis, that is, for delivery to the Fund later than the normal settlement date for such securities, at a stated price and yield. Such securities are termed "delayed delivery" when traded in the secondary market, or "when-issued" in the case of an initial issue of securities. The Fund generally would not pay for such securities or start earning interest on them until they are received. However, when the Fund undertakes a delayed delivery or when-issued purchase obligation, it immediately assumes the risk of ownership, including the risk of price fluctuation. Failure by the issuer to deliver the securities may result in a loss or missed opportunity for the Fund to make an alternative investment.

Currency Transactions

A Fund is permitted to invest in securities denominated in a currency other than the base currency of the Fund and may purchase currencies to meet settlement requirements. In addition, subject to the restrictions imposed by the UCITS Regulations (see "Use of Futures and Options" above), a Fund may enter into various currency transactions, i.e. forward foreign currency contracts, currency swaps, foreign currency or currency index futures contracts and put and call options on such contracts or on currencies, to protect against uncertainty in future exchange rates. Forward foreign currency contracts are agreements to exchange one currency for another - for example, to exchange a certain amount of Euro for a certain amount of US Dollars - at a future date. The date (which may be any agreed-upon fixed number of days in the future), the amount of currency to be exchanged and the price at which the exchange will take place are negotiated and fixed for the term of the contract at the time that the contract is entered into. Under the UCITS Regulations, uncovered positions in currency derivatives are not permitted.

Currency transactions undertaken by a Fund to alter the currency exposure characteristics of transferable securities held by that Fund through the purchase or sale of currencies other than the currency of denomination of that Fund or the relevant transferable securities must not be speculative in nature i.e. they must not constitute an investment in their own right. To the extent that such currency transactions alter the currency characteristics of transferable securities of a Fund, they must be fully covered by the cash flows of the transferable securities held by that Fund, including any

income there from. A Fund may not be leveraged or geared in any way through the use of currency transactions.

Currency transactions which alter currency exposure characteristics of transferable securities held by a Fund may only be undertaken for the purposes of a reduction in risk, a reduction in costs and/or an increase in capital or income returns to that Fund. Any such currency transactions must be used in accordance with the investment objective of a Fund (i.e. the currencies to which the Fund is exposed must be currencies in which it can invest directly) and must be deemed by the Investment Manager to be economically appropriate. The performance of a Fund may be strongly influenced by movements in currency rates because currency positions held by the Fund may not correspond with the securities positions held. Details of transactions entered into during the reporting period and the resulting amounts of commitments must be disclosed in the periodic reports of the Fund.

A Fund may “cross-hedge” one foreign currency exposure by selling a related foreign currency into the base currency of the Fund. Also, in emerging or developing markets, local currencies are often expressed as a basket of major market currencies such as the U.S. Dollar, Euro or Japanese Yen; a Fund may hedge the exposure to currencies other than its base currency in the basket by selling a weighted average of those currencies forward into the base currency.

INVESTMENT RISKS

Investment in any Fund entails a degree of risk. While there are some risks that may be common to a number or all of the Funds, there may also be specific risk considerations which apply to particular Funds in which case such risks are specified in the Relevant Supplement for that Fund.

Investment in the Funds may not be suitable for all investors and should not be considered a complete investment program. As you consider an investment in one or more of the Funds, you should take into account your investment objectives and personal risk tolerance. There can be no assurance that any Fund will achieve its investment objectives and the value of your investment may go down as well as up. You may not get back the amount invested or any return on your investment.

Potential investors should consider the following specific risks before investing in the Company:

MARKET RISK

The investments of a Fund are subject to normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation will occur. Stock markets can be volatile and stock prices can change substantially. Debt securities are interest rate sensitive and may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. The performance of a Fund will therefore depend in part on the ability of the Investment Manager to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns, while attempting to reduce the associated risks to investment capital. Debt securities, and the Net Asset Value of a Fund invested in debt securities, may decrease in value.

EFFECT OF CHARGES FROM INCOME

The effect of taking charges from income will reduce the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned. However, it may increase the growth potential of the capital value of the investment, when compared to funds that take charges from capital.

INFLATION RISK

Inflation will, over time, reduce the value of your investments in real terms.

TAX

The value of current tax relief depends on individual circumstances. The rates of and relief from taxation may change over time. Additional tax information is set out elsewhere in this Prospectus. If you have any doubts about your tax position, you should seek professional advice.

The Company will require Shareholders to certify information relating to their status for FATCA purposes and to provide other forms, documentation and information in relation to their FATCA status. The Company may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Company could become subject to US FATCA withholding tax in respect of its US source income if the US Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes. Any such US FATCA withholding tax would negatively impact the financial performance of the Company and all Shareholders may be adversely affected in such circumstances.

COLLATERAL REINVESTMENT RISK

Where cash collateral received from a counterparty is reinvested this could result in a reduction of the value of the collateral capital (in the event that the investment declines in value). This, in turn may cause losses to the relevant Fund because it is obliged to return collateral equivalent to the value of the collateral which it received. In order to manage this risk, the Company reinvests cash collateral in accordance with the guidelines set out in the section headed "Fund Investment Techniques" above.

CREDIT AND FIXED INTEREST SECURITY RISKS

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

Unlike the income from a single fixed interest security, the level of income (yield) from any Fund is not fixed and may go up and down.

If the income yield is higher than the redemption yield, there is the possibility that the capital will be eroded.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer.

Unlike income from an individual bond, the level of income from the Funds is not fixed and may fluctuate.

POLITICAL AND/OR REGULATORY RISKS

The value of the assets of a Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.

CURRENCY RISK

The Net Asset Value per Share of a Fund will be computed in the base currency of the relevant Fund whereas the investments held for the account of that Fund may be acquired in other currencies. The base currency value of the investments of a Fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The investments of each Fund may (but are not required to) be fully hedged into its base currency. In addition, currency hedging transactions, while potentially reducing the currency risks to which a Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Fund enters into "cross hedging" transactions (e.g., utilising currency different than the currency in which the security being hedged is denominated), the Fund will be exposed to the risk that changes in the value of the currency used to hedge may not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Fund securities.

SHARE CURRENCY DESIGNATION RISK

A class of Shares may be designated in a currency other than the Base Currency of a Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager may or may not try to mitigate this risk by using any of the efficient portfolio management techniques and instruments, including currency options and forward currency exchange contracts set out in the Prospectus and within the conditions and limits imposed by the Central Bank. While it is not

the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of a Fund. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value attributable to the relevant Class. Where relevant, hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will incorporate a procedure to ensure that positions do not exceed the permitted level. This review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Company are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/loss on and the costs of the relevant financial instruments.

In the case of an unhedged Class, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at prevailing exchange rates. The Company reserves the right to mitigate the effect of significant non-Base Currency subscriptions, redemptions, exchanges and distributions on the Class Net Asset Value by requiring the applicant or relevant Shareholder, rather than the Company, to pay an anti-dilution levy on relevant subscriptions, redemptions, exchanges and distributions – in effect the applicant or relevant Shareholder being required to bear the costs of foreign exchange into or out of a Fund. The Company does not currently intend to charge an anti dilution levy. The Company will give 30 days notice to Shareholders where it intends to change existing practice and will act in accordance with the requirements of the Central Bank.

Although hedging strategies may not necessarily be used in relation to each Class within a Fund, the financial instruments used to implement such strategies shall be assets/liabilities of a Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of this Class may not be combined with or offset with that of any other Class of a Fund. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

NO INVESTMENT GUARANTEE EQUIVALENT TO DEPOSIT PROTECTION

An investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account.

INVESTMENT TECHNIQUES

There are certain investment risks which apply in relation to techniques and instruments which the Investment Manager may employ for efficient portfolio management purposes including, but not limited to, the techniques listed below. To the extent that the Investment Manager's expectations in employing such techniques and instruments are incorrect, a Fund may suffer a substantial loss having an adverse effect on the Net Asset Value of the Shares.

Futures and Options Contracts, Forward Commitments, Swaps and When-issued Securities

Each Fund may use futures and options, forward commitments, swaps and when-issued securities for portfolio management purposes and/or for hedging against market movements, currency exchange or interest rate risks or otherwise. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including: (a) dependence on the Investment Manager's ability to predict movements in the price of securities being hedged and movements in interest rates; (b) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the relevant Fund; (c) the absence of a liquid market or of accurate pricing information for any particular instrument at any particular time; (d) while a Fund may not be leveraged or geared in any way through the use of derivatives the degree of leverage inherent in futures trading (i.e. the low margin deposits normally required in futures trading) means that a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Fund; and (e) possible impediments to effective portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations.

Positions in futures contracts may be closed out only on an exchange which provides a secondary market for such futures. However, there can be no assurance that a liquid secondary market will exist for any particular futures contract at any specific time. Thus, it may not be possible to close a futures position. In the event of adverse price movements, a Fund would continue to be required to make daily cash payments to maintain its required margin. In such situations, if a Fund has insufficient cash, it may have to sell portfolio securities to meet daily margin requirements at a time when it may be disadvantageous to do so. In addition, a Fund may be required to make delivery of the instruments underlying futures contracts it holds. The inability to close options and futures positions also could have an adverse impact on the ability to effectively hedge the Fund.

The risk of loss in trading futures contracts in some strategies can be substantial, due both to the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (as well as gain) to the investor. For example, if at the time of purchase, 10% of the value of the futures contract is deposited as margin, a subsequent 10% decrease in the value of the futures contract would result in a total loss of the margin deposit, before any deduction for the transaction costs, if the account were then closed out. A 15% decrease would result in a loss equal to 150% of the original margin deposit if the contract were closed out. Thus, a purchase or sale of a futures contract may result in losses in excess of the amount of investment in the contract. The relevant Fund also assumes the risk that the Investment Manager will incorrectly predict future market trends. However, because the futures strategies of each Fund are engaged in only to track an index in the interest of efficient portfolio management or for hedging purposes, the Company does not believe that the Funds are subject to the risks of loss frequently associated with futures transactions. A Fund would generally have sustained comparable losses if, instead of the futures contract, it had invested in the underlying financial instrument and sold it after the decline.

Utilisation of futures transactions by a Fund does involve the risk of imperfect or no correlation where the securities underlying the futures contracts have different maturities than the portfolio securities being hedged. It is also possible that a Fund could both lose money on futures contracts and also experience a decline in value of its portfolio securities. There is also a risk of loss by a Fund of margin deposits in the event of bankruptcy of a broker with whom a Fund has an open position in a futures contract or related option.

Most futures exchanges limit the amount of fluctuation permitted in futures contract prices during a single trading day. The daily limit establishes the maximum amount that the price of a futures contract may vary either up or down from the previous day's settlement price at the end of a trading session. Once the daily limit has been reached in a particular type of contract, no trades may be made on that day at a price beyond that limit. The daily limit governs only price movement during a particular trading day and therefore does not limit potential losses, because the limit may prevent the liquidation of unfavourable positions. Futures contract prices have occasionally moved to the daily limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and subjecting some futures traders to substantial losses.

Counterparty Risk

A Fund will have a credit risk on the parties with which it trades including for example, counterparties to Repo Contracts, securities lending agreements and OTC Contracts. In the event of the insolvency, bankruptcy or default of the seller under a repurchase agreement, a Fund may experience both delays in liquidating the underlying securities and losses, including the possible decline in the value of securities during the period while it seeks to enforce its rights thereto, possible sub-normal level of income, lack of access to income during the period and expenses in enforcing its rights. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially.

A Fund's foreign exchange, futures and other transactions also involve counterparty credit risk and may expose the Fund to unanticipated losses to the extent that counterparties are unable or unwilling to fulfil their contractual obligations. With respect to futures contracts and options on futures, the risk is more complex in that it involves the potential default of the clearing house or the clearing broker.

A Fund may have contractual remedies upon any default pursuant to the agreements related to particular transactions. Such remedies could be inadequate however, to the extent that the collateral or other assets available are insufficient to satisfy the obligations of the counterparty to the Fund.

Repo Contracts

If the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement, the relevant Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. If the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Fund and order that the securities be sold to pay off the seller's debts. The relevant Fund may experience both delays in liquidating the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal level of income and lack of access to income during the period and expenses in enforcing its rights.

Repo Contracts create the risk that the market value of the securities sold by the Fund may decline below the price at which the Fund is obliged to repurchase such securities under the agreement. In the event that the buyer of securities under a reverse repurchase agreement files for bankruptcy or proves insolvent, the Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

Securities Lending Arrangements

A Fund will have a credit risk on a counterparty to any securities lending contract. The risks associated with lending portfolio securities include the possible loss of rights against the collateral for the securities should the borrower fail financially. Also, voting rights with respect to the loaned securities may pass with the lending of the securities and efforts to call such securities promptly may be unsuccessful, especially for foreign securities or thinly traded securities such as small-cap stocks.

Umbrella Collection Accounts

Subscription monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Collection Account in the name of the Company. Investors will be unsecured creditors of such a Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Fund or the Company there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full.

Payment by the Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant redemption date. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the relevant Fund and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of the Fund or the Company during this period, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another Fund of the Company, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other Fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Fund may have

insufficient funds to repay amounts due to the relevant Fund. Accordingly, there is no guarantee that such Fund or the Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances the Fund or the Company would have sufficient funds to repay any unsecured creditors.

BORROWING POLICY

Under the Articles, the Directors are entitled to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and the Depositary is entitled to grant security over the assets of the Company to secure any such borrowings.

The Company may not borrow money, grant loans or act as guarantor on behalf of third parties, except:

- (i) where a Fund has foreign currency borrowings which exceed the value of a back-to-back deposit, the Company shall ensure that excess is treated as borrowing for the purpose of the UCITS Regulations; and
- (ii) a Fund may incur temporary borrowings in an amount not exceeding 10% of its net assets and may charge its assets as security for such borrowings. Reverse repurchase agreements and securities lending agreements are not treated as borrowings for these purposes.

The borrowing policy of each Fund is specified in the Relevant Supplement.

DISTRIBUTION POLICY

The Directors may declare dividends in respect of any Shares out of net income (including dividend and interest income) and the excess of realised and unrealised capital gains over realised and unrealised capital losses in respect of investments of the Company.

XD dates: 1 Jan, 1 April, 1 July, 1 October

Accounting dates: 30 April (Full Year), 31 October

The Articles provide that any dividend unclaimed after a period of six years from the date when it first became payable shall be forfeited and shall revert to the relevant Fund.

The distribution policy (including accounting and payment dates) of each Fund, and if different, each class of Shares within a Fund as may be created from time to time, is specified in the Relevant Supplement.

BUYING SHARES

The terms, conditions and procedures for buying Shares in respect of a Fund are specified in the Relevant Supplement.

The Company may issue Shares of any series or Class within a series, and create new series or Classes within a series of Shares, in accordance with the requirements of the Central Bank and on such terms as it may from time to time determine in relation to any Fund. Shares of any particular series may be divided into different Classes to accommodate different subscription, redemption, dividend provisions, charges or fee arrangements. Shares may also be denominated into different Classes denominated in currencies other than the Base Currency of the relevant Fund. The price at which Shares in any Fund are initially issued is specified in the Relevant Supplement and thereafter Shares will be issued at the Net Asset Value per Share for the relevant Fund, together with such sum as the Directors in their absolute discretion may from time to time determine as an appropriate provision for duties and charges in respect of the allotment and issue of such Shares. A Fund may assess a sales charge or transaction fee on Share subscriptions in such amounts as are specified in the Relevant Supplement.

All Shares issued will be in registered form and no Share certificates will be issued. This enables the Company to deal with redemption requests without delay. Written confirmation of ownership and entry on the register of Shareholders will be sent to Shareholders after receipt of a subscription request within one Business Day. Fractional Shares of up to two decimal places shall be issued in respect of any part of subscription monies insufficient to purchase whole Shares.

The Company may, at its discretion, from time to time make arrangements for the issue of Shares to any person by way of exchange for investments held by him upon such terms as the Directors may think fit but subject to and in accordance with the following provisions:

- (i) Shares shall not be issued until the investments have been vested in the Depositary or its nominee or sub-custodian to the Depositary's satisfaction;
- (ii) Subject to the foregoing any such exchange shall be effected on terms that the number of Shares to be issued shall be the number which would have been issued for cash at the current price against payment of a sum equal to the value of the investments transferred less such sum as the Directors may consider represents an appropriate provision for any fiscal brokerage, registration or other expenses as aforesaid to be paid out of the assets of the relevant Fund in connection with the vesting of the investments;
- (iii) the investments to be transferred to the Company for the account of the relevant Fund shall be valued on such basis as the Directors may decide so long as such value does not exceed the highest amount that would be obtained on the day of the exchange by applying the method of calculating the value of investments as set out under the heading "Determination of Net Asset Value";
- (iv) the nature of the investments to be transferred for the account of the relevant Fund would qualify as investments of such Fund in accordance with its investment objectives, policies and restrictions; and
- (v) The Depositary shall be satisfied that the terms of such exchange should not be such as are likely to result in any prejudice to the existing Shareholders.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's identity. Each of the Company and the Administrator reserves the right to request such information as is necessary to verify the identity of an applicant and as may otherwise be required by law. By way of example an individual may be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and date of birth. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name),

memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company or the Administrator may refuse to process the subscription request, delay the processing of any redemption, transfer or exchange request or, in the case of any Shareholder who has not provided such verification, compulsorily redeem the Shares.

Investors should note that they may be unable to purchase or redeem Shares through an agent, broker or distributor on days that such parties are not open for business. Investors should be aware that because foreign markets are often open on weekends and other days when the Company is closed, the value of the Company may change on days when it is not possible to buy or sell Shares.

The Company reserves the right to reject an application in whole or in part for Shares for any reason, in which event the application monies or any balance thereof will be returned to the applicant by transfer to the applicant's account or by post at the applicant's risk. The Company may limit the issue of any new Shares if that would take the NAV of the relevant Fund above a level which the Directors may at any time determine.

The Directors may, in their sole discretion, waive the minimum initial application and / or minimum additional application amounts for a Class of Shares in respect of a Fund as may be specified in a Relevant Supplement from time to time.

DETERMINATION OF NET ASSET VALUE

The value of the scheme property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities including any provisions considered by the Directors to be necessary or prudent) this is the “net asset value”. The Net Asset Value of each Fund will be expressed in the Base Currency of the relevant Fund.

The price per Share in respect of a Fund will be calculated daily as at the Valuation Point on each Dealing Day by dividing the Net Asset Value of the relevant Fund by the number of Shares of the relevant Fund in issue. In the event that a Fund is further sub-divided into different classes of Shares, the Net Asset Value per Share in respect of a Class will be calculated by dividing the Net Asset Value of the relevant Class by the number of Shares of the relevant Class in issue. There will only be a single price for Shares.

The most recent price of Shares will be published daily on the Investment Manager’s website at www.rlam.co.uk. Prices may also be made available through such other media as the Directors may from time to time determine and notify to Shareholders.

Shares of each Fund are expected to perform differently and each Fund (and Class if appropriate) will bear its own fees and expenses (to the extent specifically attributable to the Fund (or Class)). Consequently, the Net Asset Value per Share of each Fund and of different Classes of a single Fund, if appropriate, are expected to differ.

Assets shall be deemed to comprise:

- (i) all securities, cash on hand, on loan or on deposit, including any interest accrued thereon;
- (ii) all bills, demand notes, promissory notes and accounts receivable;
- (iii) all interest accrued on any interest-bearing instrument (except interest which is included in the quoted price); and
- (iv) all other property of every kind and nature, including prepaid expenses as defined from time to time by the Company;

and unless the Directors in any particular case or generally, determine otherwise, when the current price of a security is quoted ‘ex’ dividend, interest or other payment but such dividend, interest or other payment is payable to the Company and has not been received, the amount of such dividend, interest or other payment shall be taken into account in determining assets..

In calculating the Net Asset Value of each Fund:

- where assets have been agreed to be purchased or sold but such purchase or sale has not been completed, such assets shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;
- every Share agreed to be issued or allotted but not issued by the Fund at the Valuation Point shall be deemed to be in issue and the assets of the Fund shall be deemed to include any cash or other property to be received in respect of such Share;
- where notice of a reduction of the number of Shares by the cancellation of the number of Shares has been given by the Company to the Depositary but such cancellation has not been completed, the assets of the Fund shall be reduced by the amount payable to the Shareholders upon such cancellation;
- there shall be added to the Fund’s assets any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Fund;

- there shall be added to the Fund's assets a sum representing any interest or dividends or other income accrued but not received;
- there shall be added to the Fund's assets the total amount (whether actual or estimated by the Directors) of any claims for repayment of any taxation levied on income and for double taxation relief;
- there shall be added to the Fund's assets, the total amount (whether actual or estimated by the Directors) of any realised and/or unrealised gains of the Fund; and
- there shall be added to the Fund's liabilities the total amount (whether actual or estimated by the Directors) of any realised and/or unrealised losses of the Fund.

In calculating the number of Shares in issue:

- every Share agreed to be issued or allotted but not issued by the relevant Fund at the Valuation Point shall be deemed to be in issue; and
- where notice of a reduction of the number of Shares by cancellation of Shares has been given by the Company to the Depositary but such cancellation has not been completed prior to or at the Valuation Point, the Shares to be cancelled shall be deemed not to be in issue.

Valuation of Assets

The following valuation methods will be applied:

- Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued at the latest available closing price or, if unavailable or if bid and offer quotations are made, the latest available middle market quotation (i.e. the mean of the bid and offer price quoted) on the relevant Recognised Market at the Valuation Point provided that if the investment is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market shall be that which the Directors or the Administrator as their delegate determine provides the fairest criterion of value for the investment.
- If prices for an investment quoted, listed or traded on the relevant Recognised Market are not available at the relevant time, or are unrepresentative in the opinion of the Directors or the Administrator as their delegate, such investment shall be valued at such value as shall estimate with care and in good faith as the probable realisation value of the investment by a competent professional person, firm or corporation appointed for such purpose by the Company and approved for the purpose by the Depositary. Neither the Company, nor the Investment Manager nor the Administrator nor the Depositary shall be under any liability if a price reasonably believed by them to be the latest available closing price or, as the case may be, middle market quotation for the time being, may be found not to be such.
- The value of any investment which is not normally quoted, listed or traded on or under the rules of a Recognised Market, will be valued at its probable realisation value estimated with care and in good faith by the Directors (which shall be approved for the purpose by the Depositary) in consultation with the Administrator or by a competent person, firm or corporation appointed for such purpose by the Company and approved for such purpose by the Depositary.
- Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors (in consultation with the Administrator and the Depositary) any adjustment should be made to reflect the fair value thereof.
- Certificates of deposit and other liquid transferable securities having a maturity of six months or less shall be valued by using the amortised cost method of valuation (which shall be approved by the Depositary) whereby the relevant security is valued at its cost of acquisition

adjusted for amortisation of premium or accretions of discount on the security. The Company, or the Administrator as its delegate, will review the valuation of such securities at such intervals as the Directors deem appropriate and agree with the Administrator (and at least weekly) to determine whether the value of the securities calculated pursuant to the amortised cost method of valuation deviates from the value of such securities if valued using available market quotations or other reputable sources and, if so, whether such deviation may result in a material dilution or other unfair results to the Shareholders in the relevant Fund. If in any such review the value of the securities calculated pursuant to the amortised cost method of valuation deviates from the value of such securities valued on a mark-to-market basis by 0.3% - 0.5%, the Company will conduct, or procure the conduct of, such reviews daily until such time as the deviation falls below 0.3% and if at any time such deviation exceeds 0.5% the pricing of securities will be reviewed and the Directors will consider what action, if any must be taken to reduce such dilution.

- (f) Derivative instruments including swaps, interest rate futures contracts and other financial futures contracts which are traded on a Recognised Market shall be valued at the settlement price at the Valuation Point as determined by the relevant Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Directors (who shall be approved for the purpose by the Depositary) in consultation with the Administrator. The value of forward foreign exchange contracts which are dealt in on a Recognised Market shall be calculated by reference to the price appearing to the Directors to be the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognised Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in accordance with the provisions of the following paragraph.
- (g) Derivative instruments not traded on a Recognised Market shall be valued by the counterparty at least daily provided that the valuation is approved by the Directors (who shall be approved for such purpose by the Depositary and independent of the counterparty) or by a competent professional person appointed by the Directors, and approved by the Depositary, for such purpose and who is independent of the counterparty at least weekly.

Notwithstanding the above provisions the Directors may, with prior notification to the Depositary (a) adjust the valuation of any listed investment; or (b) permit some other method of valuation approved by the Depositary to be used with regard to a particular asset if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value of that asset.

In determining a Fund's Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the relevant Fund using the officially quoted daily exchange rates used by the Depositary. This officially quoted exchange rate may be determined prior to or after the close of a particular securities market. If such quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Directors.

SWITCHING

Except where dealings in Shares have been temporarily suspended in the circumstances described in this Prospectus, or as may otherwise be specified in a Relevant Supplement, Shareholders will be entitled to exchange or switch any or all of their Shares of any series in a Fund (original series) for corresponding Shares of another series representing another Fund (new series).

Exchange shall be effected by notice in writing to the Company or any delegate thereof in such form as the Company may approve. Unless specified otherwise in any Relevant Supplement, the general provisions and procedures relating to redemptions of Shares of the original series and subscriptions for Shares of the new series will apply to any conversion of Shares. Accordingly, for these purposes, an exchange notice will be treated as a redemption request in respect of the original series and as a subscription request in respect of Shares of the new series. The number of new Shares issued is therefore determined accordingly.

No additional charge will be imposed by a Fund for switching.

In the event that Funds are further divided into classes of Shares, Shareholders may only exchange Shares in a particular Class in the original series for Shares of the same Class in the new series unless the Company otherwise determines.

When requesting the exchange of Shares as an initial investment in a Fund, Shareholders should ensure that the Net Asset Value of the Shares converted is equal to or exceeds any minimum holding for the relevant Fund specified in the Relevant Supplement. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant Fund as specified in the Relevant Supplement. If the number of Shares of the new series to be issued on conversion is not an integral number of Shares, the Company may issue fractional new Shares to two decimal places.

SELLING SHARES

The terms, conditions and procedures for selling Shares in respect of a Fund are specified in the Relevant Supplement.

Shareholders may request the Company to sell or “redeem” their Shares on any Dealing Day at their Net Asset Value per Share on such Dealing Day, less such sum as the Directors in their absolute discretion may from time to time determine as an appropriate provision for duties and charges in respect of the realisation or cancellation of such Shares, in accordance with the redemption procedures specified in the Relevant Supplement.

If a redemption request reduces the Shareholding to below any minimum holding required in respect of a Fund and specified in the Relevant Supplement, such request may be treated as a request to redeem the entire Shareholding. A Fund may assess a redemption or transaction fee on Share redemptions in such amount as shall be specified in the Relevant Supplement. No redemption shall be permitted until the Administrator is in receipt of the original application form submitted at the time of initial subscription (the “Application Form”). Any outstanding documentation including documentation relating to a Shareholders identification may result in a delay in carrying out a redemption request.

Deferred redemption

If any Shareholder requests the redemption of Shares equal to 5% or more of the number of Shares of a particular Fund in issue on any Dealing Day, the Company may at its absolute discretion, hold over or defer the redemption of such numbers of Shares as exceeds 5%. If the Company refuses to redeem Shares for this reason, the redemption request shall be reduced accordingly and the Shares to which such request relates which are not redeemed shall be redeemed rateably on each subsequent Dealing Day, subject to the same 5% limit, until all of the Shares to which the original redemption request related have been redeemed.

If outstanding redemption requests from all holders of Shares of a particular Fund on any Dealing Day total an aggregate of more than 10% of the Net Asset Value of all the Shares of such Fund in issue on such Dealing Day, the Company shall be entitled at its discretion to refuse to redeem such number of Shares in issue in that series on that Dealing Day in excess of 10% in respect of which redemption requests have been received as the Directors shall determine. If the Company refuses to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the Shares to which each request relates which are not redeemed shall be redeemed on each subsequent Dealing Day, provided that the Company shall not be obliged to redeem Shares representing more than 10% of the Net Asset Value of a particular Fund outstanding on any Dealing Day, until all the Shares of the Fund to which the original request related have been redeemed.

Proceeds of redemption

Redemption proceeds will be paid to an account in the name of the Shareholder as specified in the Relevant Supplement or unless payment has been suspended in the circumstances described under “Temporary Suspension of Dealings” below. Redemption proceeds will be sent within three days of the Dealing Day on which redemptions are effected.

For a repurchase order the Company may, in its absolute discretion, following reasonable notice to the Shareholder, distribute underlying investments equivalent to the Shareholder’s Shares in the relevant Fund(s), rather than cash, in satisfaction of the repurchase. In such circumstances, Shareholders have the right to instruct the Company to sell such underlying investments on their behalf (in either case the amount that the Shareholder receives after such a sale will be net of all usual sale charges).

The Directors may, in their sole discretion, waive the minimum holding amount for a Class of Shares in respect of a Fund as may be specified in a Relevant Supplement from time to time.

TEMPORARY SUSPENSION OF DEALINGS

The Company may at any time, with the prior consent of the Depositary, such consent not to be unreasonably withheld or delayed, temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares during:

- (i) any period when any Recognised Market on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings on any such Recognised Market are restricted or suspended;
- (ii) any period when, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Company, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interests of Shareholders;
- (iii) any breakdown in the means of communication (or computing) normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (iv) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange;
- (v) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in such Fund; or
- (vi) any period when the Directors may determine it is in the best interests of Shareholders to do so.

Notice of any such suspension shall be transmitted immediately and in any event, within the same Business Day, to the Central Bank. In the event that such suspension is likely to exceed fourteen days that fact shall be published by the Company in such newspapers and through such other media as the Company may determine. Notice of any such suspension shall terminate when the Company declares that the suspension is at an end and in any event on the first working day on which the condition giving rise to the suspension shall cease to exist and no other condition under which suspension is authorised shall exist.

Shareholders who have requested the issue or redemption of Shares of any Fund or Class, as may be created from time to time, will have their subscription or redemption request dealt with on the Dealing Day on which the suspension is lifted unless subscription or redemption requests have been withdrawn prior to the lifting of the suspension.

Where possible, reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

TRANSFER OF SHARES

Transfers of Shares must be effected by transfer in writing to the Administrator at 78 Sir John Rogerson's Quay, Dublin 2, Ireland, in any usual or common form or in any other form approved by the Company or its delegate, from time to time. Please consult the Relevant Supplement for further information regarding the transfer of Shares.

Transfers will only be permitted where the Administrator has received the Application Form from the transferor. Every form of transfer must state the full name and address of each of the transferor and the transferee and must be signed by or on behalf of the transferor. The Company or the Administrator may decline to register any transfer of Shares unless the transfer form is deposited at the registered office of the Company or its delegate, the Administrator, or such other place as the Company may reasonably require, accompanied by such other evidence as the Company or its delegate, the Administrator may reasonably require to show the right of the transferor to make the transfer and to determine the identity of the transferee.

The transferor shall be deemed to remain the holder of the Shares until the name of the transferee is entered in the register of Shareholders. A transfer of Shares will not be registered unless the transferee, if not an existing Shareholder, has completed a subscription request with respect to the relevant Shares to the satisfaction of the Company or its delegate and the Administrator.

Shares are freely transferable except that the Company or, the Administrator may decline to register a transfer of Shares:

- (a) in the absence of satisfactory evidence that the proposed transferee is not, or will not be holding Shares on behalf of, directly or indirectly, U.S. Person;
- (b) if in the opinion of the Company or, the Administrator the transfer would be unlawful or result or be likely to result in any adverse regulatory, tax or fiscal consequences or material administrative disadvantage to the Company or the Shareholders;
- (c) in the absence of satisfactory evidence of the transferee's identity; or
- (d) where the Company is required to redeem appropriate or cancel such number of Shares as are required to meet the appropriate tax of the Shareholder on such transfer.

A proposed transferee may be required to provide such representations, warranties or documentation as the Company or its delegate, the Administrator may require in relation to the above matters. In the event that the Company or its delegate, the Administrator do not receive a valid declaration in respect of the transferee, the Company or its delegate, the Administrator will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption, repurchase, cancellation or other payment in respect of the Shares as described in the section headed "Taxation" below.

RESTRICTIONS ON AND MANDATORY REPURCHASE OF SHARES

Neither the Company nor the Funds have been registered under the U.S. Investment Company Act of 1940, as amended and the Shares have not been registered under the 1933 Act or any U.S. state securities laws. Investors will be required to complete a subscription request or other documentation which represents that the purchaser is not, and is not acquiring Shares on behalf of directly or indirectly, a U.S. Person. The Company reserves the right to enforce compulsory redemption of Shares held by such persons at any time.

Shareholders are required to notify the Company immediately in the event that they become U.S. Persons or resident (or ordinarily resident) in Ireland for Irish tax purposes or cease to be Exempt Irish Shareholders and in respect of which the declaration made on their behalf is no longer valid. Shareholders are also required to notify the Company immediately in the event that they hold Shares for the account or benefit of U.S. Persons or Irish residents (or ordinarily residents) for Irish tax purposes or Irish residents who cease to be Exempt Irish Shareholders and in respect of which the declaration made on their behalf is no longer valid or where they hold Shares in the Company in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the Company or its Shareholders.

Where the Company becomes aware that a Shareholder is: (a) is a U.S. Person or is holding Shares for the account of a U.S. Person; or (b) holds Shares in breach of any law or regulation or otherwise in circumstances having or which may have adverse regulatory, tax or fiscal consequences for the Company or the Shareholders, the Company may: (i) direct the Shareholders to dispose of those Shares to a person who is entitled to own the Shares within such time period as the Company stipulates; or (ii) redeem the Shares at their Net Asset Value per Share as at the next Dealing Day after the date of notification to the Shareholders or following the end of the period specified for disposal pursuant to clause (i) above. The Company may allow U.S. Persons to acquire and hold Shares subject to the Company's prior permission in its discretion. The Company does not presently intend to permit U.S. Persons to acquire or hold Shares.

Under the Articles, any person who becomes aware that he is holding Shares in contravention of any of the above provisions and who fails to transfer, or deliver for redemption, his Shares if so directed by the Company pursuant to the above provisions or who fails to make the appropriate notification to the Company is obliged to indemnify and hold harmless each of the Company, the Investment Manager, the Administrator, the Depositary and the Shareholders (each an "Indemnified Party") from any claims, demands, proceedings, liabilities, damages, losses, costs and expenses directly or indirectly suffered or incurred by such Indemnified Party arising out of or in connection with the failure of such person to comply with his obligations pursuant to any of the above provisions.

The Articles permit the Company, on behalf of the relevant Fund to redeem the Shares where during a period of six years no acknowledgement has been received in respect of any cheque, contract note or other confirmation of ownership of the Shares sent to the Shareholder. After the expiry of such six year period the Company must notify the Shareholder of its intention to redeem the Shares. The Shares may be redeemed if no response is received within three months. The Company is required to hold the redemption monies in a separate interest bearing account for a further period of one year after which time they shall form part of the assets of the relevant Fund.

The Company shall be entitled to redeem Shares in respect of any Fund or such Class as may be created from time to time in the circumstances described below under "Termination" or in such other circumstances as may be specified in the Relevant Supplement.

TERMINATION

The Company may terminate any Fund or Class, and redeem all of the Shares of such Fund or Class, if:

- (a) the Shareholders of the Fund pass a special resolution to approve the redemption of all the Shares in the Fund; or
- (b) after the first anniversary of the Closing Date for the relevant Fund or Class (as appropriate) if the Net Asset Value of the relevant Fund or Class (as appropriate) falls below the figure specified in the relevant Supplement;
- (c) if the Directors deem it appropriate because of adverse, political, economic, fiscal or regulatory changes affecting the Fund or Class; and
- (d) the Depositary has served notice of its intention to retire under the terms of the Depositary Agreement (and has not revoked such notice) and no new depositary has been appointed by the Company with the approval of Central Bank within 90 days of the date of service of such notice.

MANAGEMENT AND ADMINISTRATION

THE DIRECTORS AND SECRETARY

Directors

The Directors are responsible for managing the business affairs of the Company. The Directors have delegated the management of the assets and investments of each Initial Fund and the day-to-day administration of the Company's affairs, shareholder registration and transfer agency duties including the calculation of the Net Asset Value and the Net Asset Value per Share to the Investment Manager and Administrator.

The Directors are listed below with their principal occupations. None of the Directors have entered into an employment or service contract with the Company nor is any such contract proposed. Consequently, the Directors are all non-executive Directors.

The address of the Directors is the registered office of the Company.

Mr Vincent Dodd (Irish) has over 24 years' experience in fund management, fund administration and private banking. Since 2003 he has acted as an advisor and independent director to a number of Irish and IFSC financial entities, UCITS, and exchange listed mutual funds. Mr Dodd established and was appointed Head of Private Banking at KBC Bank Ireland from 1997 to 2003. Before joining KBC bank, he was Head of Business Development at Bank of Ireland Securities Services, the custody and fund administration arm of the Bank of Ireland. From 1993 to 1997 he was a senior manager in the Private Clients Group of the Investment Bank of Ireland prior to joining Bank of Ireland Securities Services. Mr Dodd received his BA in Economics and Politics from University College Dublin in 1986 and his DBA in Corporate Finance and Business Administration in 1987 from Queens University Belfast. Mr Dodd is a member of the Institute of Directors. In 2010 Mr Dodd completed the postgraduate diploma in Corporate Governance awarded by the Smurfit Business School of University College Dublin.

Mr Tom Finlay (Irish) is a barrister by profession who worked for 26 years (February 1975 to May 2001) for Bank of Ireland Asset Management (the Fund Management division of the Bank of Ireland Group). His most recent role was head of their Irish Business. In the early 1990s, Mr. Finlay had a direct involvement in the setting up of the Bank of Ireland Group's fund administration and custodial services to international clients. In 2001, he set up his own consultancy business which to date has concentrated on providing strategic advice in the areas of client service and relationship management. He has also been appointed as a non-executive director to a number of companies operating out of Dublin's IFSC (International Financial Services Centre). He is a past Chairman of the Irish Association of Pension Funds and in 2001 was appointed to the Irish Pension Board (the statutory body responsible for regulating Occupational Pension Schemes in Ireland) where he served a full five year term and chaired the Board's Policy Committee.

Mr Ewan McAlpine (British) is a senior member of the fixed income portfolio management team with the Investment Manager. Mr McAlpine joined the Investment Manager in September 2012 with responsibility for the growth of the company's fixed interest business and supporting client account management. He has extensive investment experience with a number of prominent global investment management companies over a 20+ year period covering all aspects of fixed income investment management, with involvement in the implementation and management of strategic asset allocations for a wide range of clients. Ewan graduated from the University of Strathclyde, Glasgow with an honours degree in applied physics, following which he spent a number of years as a research scientist before taking up a career in financial services.

Mrs Susan Lee Spiller (American) is Head of Proposition with the Investment Manager where she is responsible for product development, strategy and sales support. Mrs Spiller joined the Investment Manager in March 2002. Prior to this she has built up a strong background in wide variety of sales, marketing, product development, and investment management activities. Her experience includes over 15 years' experience working at Charles Schwab & Co, Fidelity Investments, and State Street

Bank & Trust Co. She graduated with a BA from Duke University and holds an MBA from Stanford University.

Mr Rakesh Kumar (alternative director for Susan Spiller and Ewan McAlpine) joined the Investment Manager in April 2011 and is Head of Fund Operations and Performance Measurement. He is responsible for the management and oversight of the investment and operational aspects of the Investment Manager's collective funds. He has expertise in providing leadership, influencing business growth and implementing and managing change to drive organisational performance.

Rakesh previously worked at the Investment Manager between 2004-2007 where he was a Senior Relationship Manager ensuring the effective monitoring, control and provision of outsourced operations used for Royal London's unitised fund range. In 2007 Rakesh joined Barclays Global Investors, responsible for managing the Exchange Traded Funds business and supporting the portfolio management of US\$60bn of assets. During 2008-2010 he established a number of successful businesses in the UAE before returning back to the UK.

Rakesh holds a BSc in Management from the University of St Andrews along with an Executive MBA from Cass business school. He has over 10 years' experience in the Global Financial Sector.

Secretary

The Company Secretary is Matsack Trust Limited which is a company secretarial service affiliated with Matheson, Irish legal counsel to the Company.

Neither the Directors, nor any connected person, the existence of which is known to or could with reasonable diligence be ascertained by that Director, whether or not through another party, have any interest in the Shares of the Company, nor have they been granted any options in respect of Shares of the Company.

Administrator

The Administrator is State Street Fund Services (Ireland) Limited. State Street Fund Services (Ireland) Limited is a private limited company incorporated in Ireland on 23 March 1992 (under registration number 186184), and has a paid up share capital of £350,000. The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

The Company has appointed the Administrator to provide fund administration services to the Company pursuant to an Administration Agreement, dated 28 April 2006 between the Company and the Administrator (the "Administration Agreement"). The day-to-day administrative services provided to the Company by the Administrator include maintaining the Company's books and records and assisting with preparation of annual and semi-annual reports of the Company. The Administrator's responsibilities also include the provision of fund accounting services, including the daily calculation of the Net Asset Value and the Net Asset Value per Share of each Fund and each Class.

The Administration Agreement can be terminated by either party on 90 days' notice in writing or immediately if either party (i) goes into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party) or has a receiver or examiner appointed or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise; (ii) shall commit any material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within thirty days after the service of written notice requiring it to be remedied; (iii) any authorisation by the Central Bank of the Company is revoked or (iv) shall no longer be permitted or able to perform its obligations under this Agreement pursuant to applicable laws or regulations.

In the absence of negligence, wilful misconduct, bad faith, fraud or recklessness, the Administrator will not be liable to the Company and the Shareholders for any loss incurred by it as a result of the proper performance of its obligations and duties under the Administration Agreement.

Under the Administration Agreement, the Company, shall indemnify and hold harmless the Administrator against all liabilities, damages, costs, claims and expenses which may be incurred or asserted or made against the Administrator, its directors, officers, employees, servants, delegates, or agents in respect of any loss or damage sustained by a third party otherwise than by reason of negligence, wilful misconduct, bad faith, fraud or recklessness of the Administrator in the performance or non-performance of its obligations and duties hereunder.

The Depositary

The Depositary is State Street Custodial Services (Ireland) Limited. The Depositary is a private limited company incorporated in Ireland. The principal activity of the Depositary is to act as depositary of the assets of collective investment schemes. As at 31 December 2015, the Depositary had funds under custody in excess of US\$602.3 billion. The Depositary is regulated by the Central Bank. The Depositary may not delegate its fiduciary duties.

Depositary's Functions

The Depositary has been entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the UCITS Regulations and the Articles.
- ensuring that the value of the Shares is calculated in accordance with the UCITS Regulations and the Articles.
- carrying out the instructions of the Company unless they conflict with the UCITS Regulations or the Articles.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with the UCITS Regulations and the Articles.
- monitoring of the Company's cash and cash flows.
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

In addition, the Depositary will be obliged to enquire into the conduct of the Company in each financial year and report thereon to the Shareholders.

Depositary's Liability

In carrying out its duties the Depositary shall act honestly, fairly professionally, independently and solely in the interests of the Company and its Shareholder.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Regulations, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Regulations.

The Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company and the Shareholders for all other losses suffered by the them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix II to this Prospectus.

The Depositary may not be replaced without the approval of the Central Bank. The Articles contains the conditions to be followed with respect to the replacement of the Depositary with another depositary and contains provisions to ensure the protection of Shareholders in the event of any such replacement.

Termination

The Depositary Agreement shall continue for an initial period of 6 months and thereafter may be terminated by either of the parties on giving ninety (90) days prior written notice to the other party, subject to the appointment of a replacement Depositary. The Depositary Agreement may be terminated immediately (subject to a replacement depositary being appointed where applicable) by either party giving notice in writing to the other party if, inter alia, at any time: (i) the party notified shall be unable to pay its debts as they fall due or go into liquidation or receivership or an examiner shall be appointed pursuant to the UCITS Regulations; (ii) the party notified shall commit any material breach of the provisions of the Depositary Agreement and shall not have remedied that within 30 days after the service of written notice requiring it to be remedied; (iii) or any authorisation by the Central Bank of the Company is revoked.

The Depositary shall not be entitled to retire voluntarily except upon the appointment of a new depositary in accordance with the requirements of the Central Bank or upon the revocation of authorisation of the Company.

Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Investment Manager may also be a client or counterparty of the Depositary or its affiliates.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

TAXATION

IRISH TAX INFORMATION

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.

The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.

IRELAND

TAXATION OF THE COMPANY

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Company will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms "*resident*" and "*ordinarily resident*" are set out at the end of this summary.

THE SHAREHOLDERS

Taxation of Non-Irish Shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus has been received by the Company confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out below under "Meaning of Terms".

If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

Taxation of Exempt Irish Shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland ("TCA"), the

Company will not deduct Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus has been received by the Company confirming the Shareholder's exempt status.

The categories of exempt investors ("Exempt Investors") listed in section 739D(6) TCA can be summarised as follows:

1. Irish tax resident companies.
2. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
3. Companies carrying on life assurance business (within the meaning of section 706 TCA).
4. Investment undertakings (within the meaning of section 739B TCA).
5. Investment limited partnerships (within the meaning of section 739J TCA).
6. Special investment schemes (within the meaning of section 737 TCA).
7. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
8. Charities (within the meaning of section 739D(6)(f)(i) TCA).
9. Qualifying managing companies (within the meaning of section 734(1) TCA).
10. Specified companies (within the meaning of section 734(1) TCA).
11. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
12. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
13. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
14. The National Asset Management Agency.
15. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
16. Qualifying companies (within the meaning of section 110 TCA).
17. Any other person resident in Ireland who is permitted (whether by legislation or by the practice or express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

TAXATION OF OTHER IRISH SHAREHOLDERS

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Shareholder (see above), the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

Distributions by the Company

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

Redemptions and Transfers of Shares

If the Company redeems Shares held by a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in Euro a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

'Eighth Anniversary' Events

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Fund are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the Company is electing to claim this exemption.

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

Share Exchanges

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company or for Shares in another Sub-Fund of the Company and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

STAMP DUTY

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution *in specie* of assets from the Company, a charge to Irish stamp duty could potentially arise.

GIFT AND INHERITANCE TAX

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the "valuation date" (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

MEANING OF TERMS

Meaning of 'Residence' for Companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a 'relevant territory'), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; and (ii) the company would have been tax resident in that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

Meaning of "Residence" for Individuals

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this "two year" test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

Meaning of "Ordinary Residence" for Individuals

The term "ordinary residence" (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

Meaning of "Intermediary"

An "intermediary" means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or

2. holds units in such an investment undertaking on behalf of other persons.

United Kingdom

The following is a summary of various aspects of the United Kingdom taxation regime which may apply to United Kingdom resident or ordinarily resident persons acquiring Shares in the Classes of a Fund, and where such persons are individuals, only to those domiciled in the United Kingdom. It is intended as a general summary only, based on current law and practice in force as of the date of this Prospectus. Such law and practice may be subject to change, and the below summary is not exhaustive. Further, it will apply only to those United Kingdom Shareholders holding Shares as an investment rather than those which hold Shares as part of a financial trade; and does not cover United Kingdom Shareholders which are tax exempt or subject to special taxation regimes.

1. The Company

It is intended that each Fund will be resident for taxation purposes outside the United Kingdom and each Fund should not therefore be subject to United Kingdom taxation on its profits. On the condition that the Company does not carry on a trade in the United Kingdom through a permanent establishment located there, then the Company will not be subject to United Kingdom corporation tax on income or chargeable gains arising to it, other than on certain United Kingdom source income.

2. Shareholders

Shares in a Fund will constitute interests in an "offshore fund" for the purposes of the United Kingdom offshore funds legislation. Each Class of Shares will be treated as a separate "offshore fund" for these purposes. Under the longstanding offshore funds regime contained in Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 ("ICTA") persons who are resident or ordinarily resident in the UK for tax purposes may be liable to income tax (or corporation tax on income) in respect of any gain arising from the disposal or redemption of Shares in an offshore fund. This charge does not apply, however, where Shares are held within a Class of interest which is certified by HM Revenue & Customs ("HMRC") as a "distributing fund" throughout the period during which the Shares have been held.

A Fund may conduct its affairs so as to enable it to be certified as a "distributing fund" in respect of certain Classes of Shares and, if so desired, the Directors may make an application for such certification to HMRC annually. Such certification, because applied for retrospectively following the end of each accounting period of a Fund, can never be guaranteed. In the event such certification is obtained, Shareholders who are resident or ordinarily resident in the UK for tax purposes (other than persons who are dealing in the Shares who are subject to different rules) may, unless otherwise exempt from tax, be liable to capital gains tax (or corporation tax on capital gains) in respect of any gain realised on disposal or redemption of the Shares.

Investors should be aware that a new United Kingdom offshore funds regime was introduced on 1 December 2009, applicable to United Kingdom investors into "offshore funds" with effect from the fiscal year ended 5 April 2010 for income tax payers and for accounting periods ending on or after 1 December 2009 for corporation tax payers. Under these rules, the relevant Classes of Shares cease to obtain distributor status retrospectively, but instead obtain reporting fund status using a once off approval mechanism. Once reporting fund status is obtained from HMRC for the relevant Classes, it will remain in place permanently provided that the annual reporting requirements are satisfied. However, transitional provision allow all relevant Classes of Shares to continue to obtain distributor status for the period of account as at 1 December 2009, a potentially one further accounting period.

The Company has applied for and intends to maintain UK "reporting fund" status for certain share classes of the Royal London Sterling Extra Yield Bond Fund for the accounting period beginning 1 May 2011 onwards. The Company intends to apply for, and maintain, UK "reporting fund" status for certain share classes of the Royal London Short Duration Global High Yield Bond Fund and the Royal London Global High Yield Bond Fund for the accounting period beginning 1 May 2013 onwards.

The year ended 30 April 2011 will be the final period where the transitional provision will apply. It is the intention of the Directors to make the relevant applications to HMRC for Royal London Sterling Extra

Yield Bond Fund to become a reporting fund for the period commencing 1 May 2011. This means, that after a Fund has transitioned from the distributor status regime to the reporting status regime, where reporting fund status is obtained for a Class of Shares, Shareholders who are resident or ordinarily resident in the United Kingdom for tax purposes (other than persons who are dealing in the Shares who are subject to different rules) may, unless otherwise exempt from tax, be liable to capital gains tax (or corporation tax on capital gains) in respect of any gain realised on disposal or redemption of the Shares. Where reporting fund status is not obtained, persons who are resident or ordinarily resident in the United Kingdom for tax purposes may be liable to income tax (or corporation tax on income) in respect of any gain arising from the disposal or redemption of Shares.

Where a Fund or Class of Shares is launched after 1 December 2009, it is intended that where reasonably possible and considered to be beneficial for the Shareholders in the Fund or Class of Shares (as applicable) as a whole, the Company will apply to HMRC for certification as a "reporting fund" and conduct its affairs accordingly unless the prospectus or relevant supplement containing details relating to that fund or class of shares otherwise provides. Although, where appropriate, the Directors will endeavour to ensure that certification is obtained and maintained, this cannot be guaranteed.

In broad terms, a 'reporting fund' is an offshore fund that meets certain annual reporting requirements to HMRC and its Shareholders. The Directors intend to manage the affairs of a Fund so that these annual duties are met and will continue to be met on an ongoing basis for those Classes in a Fund which have obtained UK reporting fund status.

Such annual duties will include calculating and reporting the income returns of the offshore fund for each reporting period (as defined for UK tax purposes) on a per-Share basis to all relevant Shareholders (as defined for these purposes). UK Shareholders which hold their interests at the end of the reporting period to which the reported income relates, will be subject to income tax or corporation tax on the higher of any cash distribution paid and the full reported amount. The reported income will be deemed to arise to UK Shareholders on the date the report is issued by the Directors provided that a Fund reports within 6 months of the year end.

The directors intend to issue the annual investor report via the Company's website each year. Further information on where this information can be obtained will be provided closer to this date. If any UK investors require the annual reporting to be delivered in a different format they should inform us accordingly.

The Shares of a Fund shall be widely available. The Directors confirm that the intended categories of investors are not "restricted" for the purposes of the Offshore Fund (Tax) Regulations 2009. Shares shall be marketed and made available sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

UK investors should be aware that the Offshore Fund Tax Regulations are subject to further change during 2011. The position set out above is correct as of the time of finalisation of this document.

If reporting fund status is subsequently obtained by a Fund, United Kingdom resident Shareholders holding their interest as at the financial year end of the Fund may also be liable to United Kingdom income tax or corporation tax on amounts of reported income, to the extent this exceeds dividends received.

When United Kingdom resident individuals receive dividends or reported income from a Fund, there may be a non-refundable tax credit equivalent to 10% of the dividend plus the tax credit, which may be offset against their liability to tax. However, where a Fund holds more than 60% of its assets in interest bearing (or similar) form, any distribution or reported income will be treated as interest in the hands of the United Kingdom income tax payer. This means that no tax credit will be available and the relevant tax rates will be those applying to interest.

Following the enactment of Finance Act 2009, when any United Kingdom corporate shareholders within the charge to United Kingdom corporation tax receive dividends from a Fund on and after 1 July 2009, the dividend is likely to fall within one of a number of exemptions from United Kingdom corporation tax. In addition, distributions to non-United Kingdom companies carrying on a trade in the United Kingdom through a permanent establishment in the United Kingdom should also fall within the

exemption from United Kingdom corporation tax on dividends to the extent that the Shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

Under the corporate debt tax regime in the United Kingdom any corporate Shareholder within the charge to United Kingdom corporation tax will be taxed on the increase in value of its holding on a fair value basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if the Investments held by the offshore fund within which the Shareholder invests, consist of more than 60% (by value) of "qualifying investments". Qualifying investments are broadly those, which yield a return directly or indirectly in the form of interest.

The attention of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are aimed at preventing the avoidance of income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the United Kingdom and may render them liable to income tax in respect of undistributed income of the Company on an annual basis. The legislation is not directed towards the taxation of capital gains.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the fact that the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 could be material to any such person whose proportionate interest in a Fund (whether as a Shareholder or otherwise as a "participator" for United Kingdom taxation purposes) when aggregated with that of persons connected with that person is 10%, or greater, if, at the same time, the Fund is itself controlled in such matter that it would, were it to be resident in the United Kingdom for taxation purposes, be a "close" company for those purposes. Section 13 could, if applied, result in a person with such an interest in a Fund being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the Fund (such as on a disposal of any of its investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Fund (determined as mentioned above).

Corporate investors should be aware that, if more than 50 per cent of the Share capital of a Fund is held by persons who are resident in the United Kingdom, the Fund may be a "controlled foreign company" for the purposes of Chapter IV Part XVII ICTA. If a Fund becomes a controlled foreign company, any United Kingdom resident company which, either alone or together with connected or associated persons, holds at least 25 per cent or more of the Share capital of the Fund will be chargeable to corporation tax in respect of the profits of the Fund which are attributable to such investor's interest in the Fund. United Kingdom resident companies holding 25 per cent or more of the capital of a Fund (directly or indirectly) should take their own specific professional taxation advice. The legislation is not directed towards the taxation of capital gains. Corporate Shareholders should note that these rules are currently under review as part of a wider consultation process undertaken by the UK tax authorities to review the tax laws governing the taxation of non-UK sourced income in the hands of a UK corporate investor.

Transfer taxes may be payable by a Fund in the United Kingdom and elsewhere in relation to the acquisition and/or disposal of investments. In particular, stamp duty reserve tax at the rate of 0.5% (or, if the transfer does not take place in dematerialised form, stamp duty at an equivalent rate) will be payable by a Fund in the United Kingdom on the acquisition of Shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom. This liability will arise in the course of a Fund's normal investment activity and on the acquisition of Investments from subscribers on subscription for Shares.

In the absence of an exemption applicable to a prospective Shareholder (such as that available to intermediaries under section 88A of the Finance Act 1986) stamp duty reserve tax (or stamp duty) at the same rate as above will also be payable by prospective Shareholders on the acquisition of Shares in companies incorporated in the United Kingdom or which maintain a share register in the United Kingdom for the purpose of subsequent subscription for Shares, and may arise on the transfer of Investments to Shareholders on redemption.

Because the Company is not incorporated in the United Kingdom and the register of holders of Shares will be kept outside the United Kingdom, no liability to stamp duty reserve tax will arise by reason of the transfer, subscription for or redemption of Shares except as stated above. Liability to stamp duty will not arise provided that any instrument in writing transferring Shares in a Fund is executed and retained at all times outside the United Kingdom.

FATCA

Ireland has an intergovernmental agreement with the United States of America (the “IGA”) in relation to FATCA, of a type commonly known as a ‘model 1’ agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the Company shall be required to register with the US Internal Revenue Service as a ‘reporting financial institution’ for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the Company to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Company should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the Company if the Company did not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the Company as being a ‘non-participating financial institution’ for FATCA purposes.

OECD Common Reporting Standard

The automatic exchange of information regime known as the “Common Reporting Standard” proposed by the Organisation for Economic Co-operation and Development applies in Ireland. Under these measures, the Company is required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU member states and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard regime was adopted by the EU Union in Directive 2014/107/EU. Regulations implementing the Common Reporting Standard came into effect in Ireland on 31 December 2015.

FEES AND EXPENSES

The fees and expenses as described below which are applicable to a Fund are specified in the Relevant Supplement.

Annual Management Charge

The Company will pay the Investment Manager an investment management fee at a rate not exceeding 2.5% per annum, plus VAT (if any), (or such higher percentage per annum as may be approved by a special resolution of Shareholders) of the Net Asset Value of each Fund, together with its out-of-pocket expenses. The investment management fee is accrued daily and payable monthly in arrears and will be calculated by reference to the Net Asset Value of each Fund as at the last Valuation Point of each month. The Investment Manager shall also be entitled to all reasonable out of pocket costs and expenses incurred by the Investment Manager in the proper performance of its duties.

Administration Fees

The Company will pay the fees of the Administrator and all reasonable vouched out-of-pocket costs and expenses incurred by the Administrator in the proper performance of its duties. The Administrator is entitled under the Administration Agreement to receive out of the assets of the Company a fee at a rate not exceeding 0.08% per annum, plus VAT (if any) of the net assets subject to a minimum fee of STG£5,000 for each Fund. Any additional Class will be charged a maximum monthly fee of STG£1,000 per Class in each Fund. The administration fee is accrued daily and payable monthly in arrears. The Administrator is also entitled to receive transfer agency fees and fees for maintenance of the register of Shareholders, together with its out-of-pocket expenses. Such fees will be payable out of the assets of each Fund and will be at normal commercial rates. The Company will give 30 days notice to Shareholders where a change of practice is to be elected.

Depositary Fees

The Depositary is entitled under the Articles to receive out of the assets of the Company custody charges which vary from 0.005% per annum to 0.1% per annum depending on the market involved, but for the avoidance of doubt, shall not in the aggregate exceed 0.1% per annum plus VAT (if any) of the net assets of each Fund. The Depositary fee is accrued daily and payable monthly in arrears. A minimum monthly charge will be applied by the Depositary per Fund and will not exceed STG£2,000 per Fund. The Depositary is also entitled to receive a transaction fee at normal commercial rates of such amount as may be agreed between the Company and the Depositary from time to time together with its out-of-pocket expenses. Sub-custodian transaction charges will be at normal commercial rates.

Preliminary Charge

The Company shall be entitled to charge applicants for Shares in a Fund an up-front sales charge of up to 5% of the subscription monies which shall be deducted out of the gross subscription proceeds. Any such sales charge is payable at the time of the purchase of Shares and does not constitute an asset of a Fund.

Redemption Charge

The Company shall be entitled to impose a redemption fee on Shares in issue in any Fund up to a maximum of 3%. The Company does not intend to make a redemption charge save where the Company considers that a Shareholder is redeeming Shares in a Fund for arbitrage purposes.

Distribution Fees

The Company may pay distribution fees in respect of a Fund payable out of the assets of a Fund ("Distribution Fees") accruing daily and payable monthly in arrears at the annual rate of up to 0.75% of the average daily net assets of a Fund, attributable to the Shares. The Company may pay the Distribution Fees to the Distributor, together with all reasonable vouched out of pocket costs and expenses incurred by the Distributor in the proper performance of its duties, which will in turn pay the fees of any sub-distributor or placement agent. The distribution fees for each Fund are specified in the relevant Supplement.

Director's Fees

Each Director shall be entitled to such remuneration for his services as the Company may determine provided that the aggregate emoluments of each Director in respect of any twelve month period shall not exceed €50,000 per Director plus expenses or such higher amount as may be approved by the Company in general meeting.

Establishment and Operating Expenses

There shall also be paid out of the Company's assets certain other costs, charges, fees and expenses incurred in its operation, including without limitation:

- (a) fees and expenses incurred in relation to banking and brokerage in respect of the purchase and sale of Fund securities;
- (b) taxes;
- (c) insurance;
- (d) the costs and expenses of maintaining its books of account and of preparing, printing, publishing and distributing (in such languages as may be necessary) prospectuses, supplements, annual and semi-annual reports, proxies and material of Shareholders' meetings and other documents or information to current and prospective Shareholders (including the costs of developing and enhancing computer software and electronic transmission techniques to distribute such documents or information);
- (e) the expense of publishing daily price and yield information, in relevant media;
- (f) the costs and expenses of obtaining authorisations or registrations of the Company or of any Shares with the regulatory authorities (including local securities dealers associations) in various jurisdictions;
- (g) the cost of listing and maintaining a listing of Shares on any stock exchange;
- (h) marketing and promotional expenses;
- (i) the cost of convening and holding Directors' and Shareholders' meetings;
- (j) professional fees and expenses for legal, auditing and other consulting services; and
- (k) such other costs and expenses (including non-recurring and extraordinary costs and expenses) as may arise from time to time and which have been approved by the Directors as necessary or appropriate for the continued operation of the Company or of any Fund.

The expenses of each Fund may be deducted from the total income of such Fund before dividends are paid. Expenses of the Company which are not directly attributable to the operation of a particular Fund are allocated among all Funds in a manner determined by the Directors. Expenses pertaining to a particular Class as may be created from time to time shall be allocated to the Class to which they relate.

The Investment Manager may, at its discretion, contribute directly towards the expenses attributable to the establishment and/or operation of the Company of any particular Fund and/or the marketing, distribution and/or sale of Shares and may from time to time at its sole discretion waive part of its fees in respect of any particular payment period.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders or to intermediaries, part or all of the investment management fees. Any such rebates may be applied in paying up additional Shares to be issued to the Shareholder. Such Shares shall be issued to the Shareholders at their Net Asset Value.

GENERAL INFORMATION

CONFLICTS OF INTEREST

The Depositary, the Administrator, the Distributor, the Directors and the Investment Manager and their delegates may from time to time act as manager, registrar, administrator, directors, trustee, depositary, investment manager, adviser, or distributor in relation to, or be otherwise involved in, other funds or collective investment schemes which have similar investment objectives to those of the Company or any Fund. It is, therefore, possible that any of them may, in the due course of their business, have potential conflicts of interests with the Company or any Fund. Each will at all times have regard in such event to its obligations under the Articles and/or any agreements to which it is party or by which it is bound in relation to the Company or any Fund and, in particular, but without limitation to its obligations to act in the best interests of the Shareholders when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly and, in particular, the Investment Manager has agreed to act in a manner which it in good faith considers fair and equitable in allocating investment opportunities to the Company. The Articles provides that the Administrator may accept the estimate of a competent person when determining the probable realisation value of unlisted securities. The Administrator may accept an estimate provided by the Investment Manager or any other affiliate of the Investment Manager for these purposes and investors should be aware that in these circumstances a possible conflict of interest may arise as the higher the estimated probable realisation value of the security, the higher the fees payable to the Investment Manager.

A Fund may not sell, purchase or lend securities or receive loans to or from (a) the Investment Manager, (b) its affiliate companies, (c) any director of the Investment Manager or its affiliates, or (d) any major shareholder of the Investment Manager or its affiliates which in this context means a shareholder who (acting as principal or for his own account) holds (whether in his own name or other name, including in a nominee's name) 10% or more of the total issued outstanding shares of such a company unless the transaction is negotiated at arm's length and the transaction is in the best interests of the Shareholders.

Notwithstanding the above paragraph there is nothing to prevent the Depositary or its associates from dealing as principal in the sale or purchase of assets to or from the Company, or from acting as depositary and/or trustee in any other capacity for other clients, or from buying, holding and dealing in any assets for its own account or for the account of any client notwithstanding that similar or the same assets may be held or dealt in by or for the account of the Company. The Depositary shall not be deemed to be affected by notice of, or to be under any duty to disclose to the Company, information which has come into its or its associates' possession as a result of any such arrangements. Neither the Depositary nor any of its associates shall be liable to account to the Company for any profits or benefits made or derived by, or in connection with, any such transaction. However, any such transaction must be negotiated at arm's length and in the best interest of Shareholders.

Transactions permitted pursuant to the above paragraphs are subject to: (i) certified valuation by a person approved by the Depositary as independent and competent; (ii) execution on best terms on organised investment exchanges under their rules; or (iii) where (i) and (ii) are not practical, execution on terms which the Depositary is satisfied conform to the principle of execution on terms negotiated at arm's length. In the case of a transaction involving the Depositary, the Directors should be satisfied the transaction conforms with the principle of execution on terms negotiated at arm's length. The Depositary may hold funds for the Company subject to the provisions of the Central Banks Act 1942 to 1998. The Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with (i), (ii), or (iii) above. Where transactions are conducted in accordance with (iii), the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in this paragraph.

A Director may be a party to, or otherwise interested in, any transaction or arrangement in which the Company is interested, provided that he has disclosed it to the Company prior to the conclusion of any such transaction or arrangement the nature and extent of any material interest of his therein. Unless

the Directors determine otherwise, a Director may vote in respect of any contract or arrangement or any proposal whatsoever in which he has a material interest, having first disclosed such interest. At the date of this Prospectus other than as disclosed below, no Director or any connected person of any Director has any interest, beneficial or non-beneficial, in the Shares of the Company or any material interest in the Company or any Fund or in any agreement or arrangement with the Company. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

Mr Ewan McAlpine is a senior member of the fixed income portfolio management team with the Investment Manager. Ms Susan Spiller is head of proposition and Mr Rakesh Kumar is head of fund operations and performance measurement within the Investment Manager.

In selecting brokers to make purchases and sales for the Company for the account of a Fund, the Investment Manager, as the Company's delegate, will choose those brokers who provide best execution to the Fund. In determining what constitutes best execution, the Investment Manager may consider the over-all economic result of the Fund (price of commission plus other costs), the efficiency of the transaction, the broker's ability to effect the transaction if a large block is involved, availability of the broker for difficult transactions in the future, other services provided by the broker such as research and the provision of statistical and other information and the financial strength and stability of the broker. In managing the assets of the Fund, the Investment Manager may receive certain research and statistical and other information and assistance from brokers. The Investment Manager may allocate brokerage business to brokers who have provided such research and assistance to the Fund. The Investment Manager may pay a commission to such a broker that is in excess of the commission another broker may have charged for the same transaction if the Investment Manager determines in good faith that the commission is reasonable in relation to the research and brokerage services provided by such broker viewed in terms either of the particular transaction or the Investment Manager's overall responsibilities with respect to accounts as to which the Investment Manager has investment discretion. The benefits provided under any soft commission arrangements must assist in the provision of investment services to the Fund and any such soft commission arrangements will be disclosed in the periodic reports of the Fund. No cash rebates will be retained by the Investment Manager or any of its affiliates. The Investment Manager shall be entitled to aggregate orders for the Fund with orders for other clients where it considers it appropriate for the efficient management or administration of the Fund.

MEETINGS

All general meetings of the Company shall be held in Ireland and at least one general meeting of the Company shall be held in each year as the Company's annual general meeting. A proxy may attend on behalf of any Shareholder. The voting rights attached to the Shares are set out under the "Voting Rights" section of this Prospectus.

NOTICE AND QUORUM

At least twenty one days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an Adjourned Meeting is one Shareholder present in person or by proxy. Notices of Meetings and Adjourned Meetings will be sent to Shareholders at their registered addresses.

A Shareholder entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person to attend and vote in his place (whether a Shareholder or not).

PROCEEDINGS AT MEETINGS

The chairman or, if absent, the deputy chairman of the Directors, or failing him, some other Director nominated by the Directors shall preside as chairman at every general meeting of the Company.

The chairman of any meeting may with the consent of the meeting adjourn the meeting from time to time and from place to place, and if he is directed by the meeting to adjourn he must do so. No

business can be transacted at an adjourned meeting which might not lawfully have been transacted at the meeting from which the adjournment took place.

The chairman may take any action he considers appropriate for, for example, the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority.

A resolution put to a vote of a general meeting shall be determined by a poll.

VOTING RIGHTS

Each Shareholder shall be entitled to such number of votes as shall be produced by dividing the aggregate net asset value of that Shareholder's shareholding (expressed or converted into Sterling and calculated as of the relevant record date) by one. The "relevant record date" for these purposes shall be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. In relation to a resolution which in the opinion of the Directors gives or may give rise to a conflict of interest between the Shareholders of any series or Class, such resolution shall be deemed to have been duly passed only if, in lieu of being passed through a single meeting of the Shareholders of such series or Class, such resolution shall have been passed at a separate meeting of the Shareholders of each such series or Classes. All votes shall be cast by a poll of Shareholders present in person or by proxy at the relevant Shareholder meeting or by unanimous written resolution of the Shareholders.

REPORTS AND ACCOUNTS

The Company shall cause to be prepared an annual report and audited annual accounts for the Company and each Fund for the period ending 30 April in each year. These will be forwarded to Shareholders and the Central Bank within four months of the end of the relevant accounting period end and in any event at least twenty one days before the annual general meeting. In addition, the Company shall cause to be prepared a half-yearly report which shall include unaudited half-yearly accounts for the Company and each Fund for the period ending on the last day of October in each year. Half-yearly accounts for each Fund will be forwarded to Shareholders in the relevant Fund and the Central Bank within two months of the end of the relevant accounting period.

THE SHARE CAPITAL

The authorised share capital of the Company is 500,000,040,000 Shares of no par value divided into 40,000 Subscriber Shares of no par value and 500,000,000,000 Shares of no par value. For the period of five years from the date of incorporation, the Directors are empowered to issue up to 500,000,000,000 Shares of no par value in the Company on such terms as they think fit. On the expiry of five years, the Directors' authority to issue Shares may be renewed by the Shareholders in general meeting successively for further periods each of which must not exceed five years.

Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. Shares entitle the holders to attend and vote at general meetings of the Company and to participate equally (subject to any differences between fees, charges and expenses applicable to different classes of Shares) in the profits and assets of the Company on the terms and conditions set out in the Prospectus. There are no pre-emption rights attaching to Shares.

The Company may from time to time by ordinary resolution increase its capital, consolidate its Shares or any of them into a smaller number of Shares, sub-divide Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The Company may by special resolution from time to time reduce its share capital in any way permitted by law.

VARIATION OF SHAREHOLDERS RIGHTS

Under the Articles, whether or not the Company is being wound up, the rights attached to each series or class of Share may be varied with the consent in writing of the holders of three-fourths of the issued Shares of that series or Class or with the sanction of a special resolution passed at a separate general

meeting of the holders of Shares of that series or Class. The rights attaching to any series or class of Shares shall not be deemed to be varied by the creation or issue of further Shares ranking pari passu with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at such a meeting shall be two persons present in person or by proxy holding Shares of the series or Class in question or, at an adjourned meeting, one person holding Shares, of the series or Class in question or his proxy.

WINDING UP OF THE COMPANY

The Articles contain provisions to the following effect:

- (i) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall, in relation to the assets available for distribution among the Shareholders, make in the books of the Company such transfers thereof to and from Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holder of Shares of different Classes in such proportions as the liquidator in his absolute discretion may think equitable.
- (ii) The assets available for distribution among the Shareholders shall then be applied in the following priority:
 - (a) First, in the payment to the holders of Shares of each series of a sum in the currency in which that series is designated or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the aggregate Net Asset Value per Share of the Shares of such series held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any series of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had:
 - (1) first, to the assets of the Company not comprised within any of the Funds; and
 - (2) secondly, to the assets remaining in the Funds for the other series of Shares (after payment to the holders of Shares of the series to which they relate of the amounts to which they are respectively entitled under this paragraph (ii)) pro rata to the total value of such assets remaining within each such Fund.
 - (b) Secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (ii)(a) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds.
 - (c) Thirdly, in the payment to the holders of each series of Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares of that series held.
 - (d) Fourthly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.
- (iii) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Irish High Court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Acts of Ireland, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such

division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability. Where distributions in specie are effected on winding up, an individual shareholder may request that the assets be sold and receive the cash proceeds instead.

MATERIAL CONTRACTS

The following contracts, which are summarised in the “Management and Administration” and “Fees and Expenses” sections in this Prospectus, have been entered into and are, or may be, material:

- (i) Depositary Agreement dated 4 May 2016 between the Company and the Depositary pursuant to which the Depositary has been appointed as Depositary of the Company’s assets;
- (ii) Administration Agreement dated 28 April 2006 between the Company and the Administrator pursuant to which the Administrator was appointed to provide administration, accounting and Shareholder registration and transfer agency services to the Company;
- (iii) Investment Management Agreement dated 28 April 2006 as amended and as may be further amended from time to time between the Company and the Investment Manager pursuant to which the Investment Manager has been appointed to provide investment management and advisory services to the Company;
- (iv) Novation Distribution Agreement dated 19 September 2016 between the Company, the Distributor and Royal London Unit Trust Managers Limited, the old distributor, pursuant to which the Distributor was appointed as distributor for the Company for the purpose of obtaining purchasers for the Shares in the manner contemplated in the Distribution Agreement.

Any additional Material Contracts relevant to a particular Fund will be specified in the relevant Supplement.

DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the Company’s registered office, 70 Sir John Rogerson’s Quay, Dublin 2, and at the offices of Royal London Asset Management Limited, 55 Gracechurch Street, London, EC3V ORL, England during normal business hours on any Business Day:

- (i) the material contracts referred to above;
- (ii) the memorandum and articles of association of the Company;
- (iii) the UCITS Regulations;
- (iv) the latest published annual and semi-annual reports and audited and unaudited accounts of the Company;
- (v) a list of directorships and partnerships of each of the Directors over the past five years together with an indication of whether such partnerships or directorships are current; and
- (vi) the most recently published Net Asset Value per Share.

Copies of the memorandum and articles of association of the Company and of any yearly or half-yearly reports may be obtained from the Administrator at 78 Sir John Rogerson’s Quay, Dublin 2, Ireland free of charge.

COMPLAINTS

Any formal complaints by a Shareholder should be made in writing to International Financial Data Services, 78 Sir John Rogerson's Quay, Dublin 2, Ireland. Complaints may also be directly to the Financial Services Ombudsman, 3rd Floor, Lincoln House, Lincoln Place, Dublin 2, Ireland.

NOTICES

Notices from the Company to Shareholders will be sent in the English language and to the last address notified to the Company by Shareholders.

REMUNERATION POLICIES AND PRACTICES

The Company is subject to remuneration policies, procedures and practices (together, the "**Remuneration Policy**"), as required under the UCITS Directive. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Company. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the investors in the Company and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Company, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually.

Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee (if any) are available via <http://www.rlam.co.uk/Home/Footer/Remuneration-Policy/> The Remuneration Policy will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Company, upon request.

APPENDIX I

The following exchanges and markets constitute Recognised Markets for the purposes of this Prospectus:

DEVELOPED MARKETS

Any stock exchange in an EU Member State or in any of the following member countries of the OECD:

Australia, Canada, Iceland, Japan, Hong Kong, New Zealand, Norway, Switzerland and the United States of America.

Any of the following stock exchanges:

- Argentina
 - Buenos Aires Stock Exchange
 - Cordoba Stock Exchange
 - La Plata Stock Exchange
 - Mendoza Stock Exchange
 - Rosario Stock Exchange
 - Bolsa de Comercio de Santa Fe
 - Mercado Abierto Electrónico (MAE)
 - Mercado a Termino de Rosario
 - Mercado de Valores de Rosario
 - Mercados de Futuros y Opciones SA (Merfox)
- Bahrain
 - Bahrain Stock Exchange
 - Manama Stock Exchange
- Bangladesh
 - Dhaka Stock Exchange
 - Chittagong Stock Exchange
- Botswana
 - Botswana Stock Exchange
 - Serowe Stock Exchange
- Brazil
 - Rio de Janeiro Stock Exchange
 - Sao Paulo Stock Exchange
 - Bahia-Sergipe-Alagoas Stock Exchange
 - Brasilia Stock Exchange
 - Extremo Sul Porto Alegre Stock Exchange
 - Minas Esperito Santo Stock Exchange
 - Parana Curitiba Stock Exchange
 - Pernambuco e Paraiba Recife Stock Exchange
 - Regional Fortaleza Stock Exchange
 - Santos Stock Exchange
- Chile
 - Santiago Stock Exchange
 - Valparaiso Stock Exchange
 - Bolsa Electronica de Chile
- China
 - Shanghai Securities Exchange
 - Shenzhen Stock Exchange
- Colombia
 - Colombian Stock Exchange
 - Bogota Stock Exchange
 - Medellin Stock Exchange
 - Occidente Stock Exchange
- Costa Rica
 - San Jose Stock Exchange
- Croatia
 - National Stock Exchange
 - Zagreb Stock Exchange

-	Egypt	Cairo and Alexandria Stock Exchange
-	Ghana	Ghana Stock Exchange
-	Hong Kong	The Stock Exchange of Hong Kong Limited
-	Iceland	OMX Nordic Exchange
-	India	The National Stock Exchange of India The Stock Exchange, Mumbai Delhi Stock Exchange Ahmedabad Stock Exchange Bangalore Stock Exchange Cochin Stock Exchange Guwahati Stock Exchange Magadh Stock Exchange Pune Stock Exchange Hyderabad Stock Exchange Ludhiana Stock Exchange Uttar Pradesh Stock Exchange Calcutta Stock Exchange Bombay Stock Exchange Madras Stock Exchange Delhi Stock Exchange Gauhati Stock Exchange Magadh Stock Exchange
-	Indonesia	Jakarta Stock Exchange Surabaya Stock Exchange
-	Israel	Tel Aviv Stock Exchange Limited
-	Jamaica	Jamaica Stock Exchange
-	Jordan	Amman Stock Exchange
-	Kazakhstan	Kazakhstan Stock Exchange
-	Kenya	Nairobi Stock Exchange
-	Korea (South)	Korea Stock Exchange KOSDAQ Korea Futures Exchange Korean Securities Dealers Association
-	Kuwait	Kuwait Stock Exchange
-	Lebanon	Beirut Stock Exchange
-	Malaysia	Kuala Lumpur Stock Exchange The Bursa Malaysia Berhad Bumipatra Stock Exchange
-	Mauritius	Stock Exchange of Mauritius
-	Morocco	Casablanca Stock Exchange
-	Mexico	Mexico Stock Exchange Mercado Mexicana de Derivados
-	Namibia	Namibian Stock Exchange
-	Nigeria	Nigerian Stock Exchange Lagos Stock Exchange Kaduna Stock Exchange Port Harcourt Stock Exchange
-	Oman	Muscat Securities Market
-	Pakistan	Karachi Stock Exchange Lahore Stock Exchange Islamabad Stock Exchange
-	Palestine	Nablis Stock Exchange
-	Peru	Lima Stock Exchange
-	Philippines	Philippines Stock Exchange
-	Qatar	Doha Securities Market
-	Russia	Moscow International Currency Exchange (included solely in relation to equity securities) Russian Trading System (RTS) 1 (included solely in relation to equity securities) Russian Trading System (RTS) 2 (included solely in relation to equity securities)

		relation to equity securities)
-	Saudi Arabia	Saudi Stock Exchange (Tadawul) Riyadh Stock Exchange
-	Serbia	Belgrade Stock Exchange
-	Singapore	Singapore Stock Exchange SESDAQ
-	South Africa	Johannesburg Stock Exchange
-	Sri Lanka	Colombo Stock Exchange
-	Taiwan (Republic of China)	Taiwan Stock Exchange GreTai Securities Market (GTSM) Taiwan Futures Exchange (TAIFEX)
-	Thailand	Stock Exchange of Thailand Market for Alternative Investments (MAI)
-	Tunisia	Tunis Stock Exchange
-	Turkey	Istanbul Stock Exchange
-	Uganda	Kampala Stock Exchange
-	Ukraine	First Securities Trading System (PFTS) Ukraine Stock Exchange Ukrainian Interbank Currency Exchange
-	United Arab Emirates (UAE)	Abu Dhabi Securities Market (ADSM) Borse Dubai Dubai: Financial Market (DFM) Dubai: Gold and Commodities Exchange Dubai: International Financial Exchange (DIFX) Dubai: Mercantile Exchange
-	Uruguay	Montevideo Stock Exchange
-	Venezuela	Caracas Stock Exchange Maracaibo Stock Exchange Venezuela Electronic Stock Exchange
-	Vietnam	Ho Chi Min Stock Exchange (HOSE) Ho Chi Minh Securities Trading Center Hanoi Securities Trading Center
-	Zambia	Lusaka Stock Exchange
-	Zimbabwe	Zimbabwe Stock Exchange

The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Financial Services Authority Publication “The Regulation of the Wholesale cash and Derivatives Markets under Section 43 of the Financial Services Act 1986 (The Grey Paper)” dated June 1999 (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in the U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- AIM - the alternative investment market in the U.K. regulated and operated by the London Stock Exchange;

- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable instruments); and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.
- Multilateral Trading Facilities which meet with applicable regulatory criteria, as same may be amended from time to time.

EMERGING MARKETS

- Bangladesh Dhaka Stock Exchange
- Botswana Botswana Stock Exchange
- Bulgaria The Stock Exchange of Bulgaria – Sofia
- Chile Santiago Stock Exchange
Valparaiso Stock Exchange
- Colombia Bogota Stock Exchange
Medellin Stock Exchange
- Croatia Zagreb Stock Exchange
- Czech Republic Prague Stock Exchange
- Egypt Cairo Stock Exchange
Alexandria Stock Exchange
- Estonia Tallinn Stock Exchange
- Jordan Amman Stock Exchange
- Latvia Riga Stock Exchange
- Lithuania National Stock Exchange of Lithuania
- Mauritius Stock Exchange of Mauritius
- Morocco Casablanca Stock Exchange
- Pakistan Karachi Stock Exchange
Lahore Stock Exchange
- Peru Lima Stock Exchange
- Romania Bucharest Stock Exchange
- Russia Level 1 and Level 2 RTS Stock Exchange; MICEX
- Slovak Republic Bratislava Stock Exchange
- Slovenia Ljubljana Stock Exchange
- Sri Lanka Colombo Stock Exchange
- Venezuela Caracas Stock Exchange
Maracaibo Stock Exchange
- Zimbabwe Zimbabwe Stock Exchange

DERIVATIVES MARKETS

In the case of an investment in listed or traded FDI: (i) in any derivative market approved in any EEA state member or cooperating country or in any of the member countries of the OECD including their territories covered by the OECD Convention; and (ii) in the following exchanges or markets:

Brazil	BM&F BOVESPA SA
Cayman Islands	Cayman Islands Stock Exchange
Egypt	Egyptian Exchange
Hong Kong	Growth Enterprise Market Hong Kong Stock Exchange
Malaysia	Bursa Malaysia Bhd Bursa Malaysia Derivatives

Singapore	Singapore Exchange
South Africa	JSE Limited South Africa Futures Exchange
South Korea	Korea Exchange Inc.
Taiwan	Taiwan Exchange
Thailand	Thailand Futures Exchange

These exchanges and markets are listed above in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

With the exception of permitted investments in unlisted securities the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, recognised and open to the public) and which is listed in this Prospectus.

APPENDIX II

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian.

At the date of this prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

Market	Sub-custodian
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank, N.A.
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG
	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Itaú CorpBanca S.A.

Market	Sub-custodian
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)
	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)

Market	Sub-custodian
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank International GmbH
	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Jamaica	Scotia Investments Jamaica Limited
Japan	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited

Market	Sub-custodian
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lebanon	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Lithuania	AB SEB bankas
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG

Market	Sub-custodian
Poland	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A
Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Puerto Rico	Citibank N.A.
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
	United Overseas Bank Limited
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
	Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland	Standard Bank Swaziland Limited
Sweden	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
	UBS Switzerland AG
Taiwan - R.O.C.	Deutsche Bank AG

Market	Sub-custodian
	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.Ş.
	Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company
Uruguay	Banco Itaú Uruguay S.A.
Venezuela	Citibank, N.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

